

**CITY OF CENTRAL, LOUISIANA**

**FINANCIAL STATEMENTS**

June 30, 2025

# CITY OF CENTRAL, LOUISIANA

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**INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and  
Members of the City Council  
City of Central, Louisiana

***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the **CITY OF CENTRAL, LOUISIANA (CITY)**, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities and each major fund of the City, as of June 30, 2025, and the respective changes in financial position 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 (GAAS), the *Louisiana Governmental Audit Guide*, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' 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 auditors' 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 GAAS, the *Louisiana Governmental Audit Guide*, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the *Louisiana Governmental Audit Guide*, and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, major fund budgetary comparison information, schedule of proportionate share of net pension liability, schedule of pension contributions, and notes to the required supplementary information on pages 48 through 55 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 in the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Capital Outlay and Improvement Fund: schedule of revenues, expenditures, and changes in fund balance – budget (GAAP basis) and actual, and the schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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*, is presented for purposes of additional analysis and is 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 Capital Outlay and Improvement Fund: schedule of revenue, expenditures, and changes in fund balance – budget (GAAP basis) and actual, schedule of compensation, benefits, and other payments to agency head, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

(Continued)

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

In accordance with *Government Auditing Standards*, we have issued our report dated December 19, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Faulk & Winkler, LLC*

Certified Public Accountants

Baton Rouge, Louisiana  
December 19, 2025

# **CITY OF CENTRAL, LOUISIANA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our analysis of the City of Central's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2025. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities and currently known facts, and should be read in conjunction with the financial statements which begin on Exhibit A.

### **FINANCIAL HIGHLIGHTS**

In 2025, the City's government-wide activities experienced a 17% decrease in revenues and a 21% decrease in expenses compared to the prior year. The reduction in expenses was primarily due to significant highway and street-related costs incurred in the prior year, specifically related to the 2023-2024 Road Rehab Project. The decrease in revenue is largely due to the decline in operating grants and contributions, resulting from the recognition of the remaining American Rescue Plan Act funds in the prior year. Additionally, the City has a contract with a not-for-profit organization to provide administrative, financial, public works, code enforcement, permitting, and inspection services. In 2025, the cost of this contract was \$6.7 million, which represents 39% of total government-wide expenses. The City received \$15.7 million in sales tax revenue and \$1.9 million in franchise tax revenue, while investment earnings totaled \$3.0 million and charges for services generated \$722,000. The City has focused on road, drainage, and infrastructure improvements while aligning resources thoughtfully to community needs.

The major financial highlights for 2025 are as follows:

- Assets of the City's primary government exceeded its liabilities at the end of the year by \$85.0 million (net position). Net position includes \$43.9 million that may be used without restriction to meet the City's ongoing obligations to citizens and creditors.
- The primary government's total net position increased by \$6.7 million during 2025.
- At year end, the City's governmental funds reported fund balances of \$65.3 million, a decrease of approximately \$4.3 million. Fund balances with restrictions or commitments are as follows:
  - Restricted:
    - Capital projects - \$22.4 million
  - Commitments:
    - Operational reserves - \$11.7 million
    - Emergency repairs and maintenance - \$12.8 million
    - Drainage repairs and maintenance - \$3.3 million
    - Road maintenance - \$1 million

Significant aspects of the City's financial well-being, for the year ended June 30, 2025, are detailed throughout this analysis.



## **USING THIS ANNUAL REPORT**

The City's financial statements focus on the government as a whole (government-wide) and on major individual funds. Both perspectives (government-wide and major funds) allow the reader to address relevant questions, broaden a basis for comparison from year to year, and enhance the City's accountability.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 15 and 16) provide information about the activities of the City as a whole.

Fund financial statements start on page 17. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

The City's auditors have provided reasonable assurance in their independent auditors' report, located immediately preceding this MD&A, that the financial statements are fairly stated, in all material respects. Varying degrees of assurance are being provided by the auditor regarding the Required Supplementary Information and Other Supplementary Information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of this financial report.

### **Reporting on the City as a Whole**

The financial statements of the City as a whole begin on page 15. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way to determine if the City is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the City's net position and related changes. One can think of the City's net position—the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is one indicator of its financial health. One will need to consider other non-financial factors, such as changes in the City's sales tax base, to assess the overall health of the City.

The Statement of Net Position and the Statement of Activities consist of governmental activities.

**Governmental activities** - The City's basic services are reported here, including public safety, public works, highways and streets, health and welfare, and general administration. Sales taxes, grants and contributions, and franchise fees finance the majority of these activities.

At June 30, 2025, the City's net position was \$85.0 million, of which \$43.9 million is unrestricted. Restricted net position is normally reported separately to show legal constraints from debt covenants and/or enabling legislation that limits the City's ability to use that net position for day-to-day operations.

Our analysis below of the primary government focuses on the net position and change in net position of the City's governmental activities.

City of Central, Louisiana  
Statement of Net Position  
June 30, 2025 and 2024

	Governmental Activities	
	2025	2024
Current and other assets	\$68,900,571	\$72,699,770
Capital assets, net	18,820,294	7,601,867
Total assets	87,720,865	80,301,637
Deferred outflows of resources	243,848	214,069
Total assets and deferred outflows of resources	<u>\$87,964,713</u>	<u>\$80,515,706</u>
Current and other liabilities	\$ 2,582,827	\$ 1,911,671
Long-term debt and net pension liability	327,267	285,207
Total liabilities	2,910,094	2,196,878
Deferred inflows of resources	12,691	12,714
Net position:		
Investment in capital assets	18,820,294	7,094,021
Restricted	22,355,998	19,454,750
Unrestricted	43,865,636	51,757,343
Total net position	<u>85,041,928</u>	<u>78,306,114</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$87,964,713</u>	<u>\$80,515,706</u>

Total net position of the City's governmental activities increased by approximately \$6.7 million during the year ended June 30, 2025. Unrestricted net position decreased by \$7.9 million. Unrestricted net position represents the amount of net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements. The changes in net position are discussed later in this analysis.

The results of the past two years' operations for the primary government as a whole, as reported in the Statement of Activities, are as follows:

City of Central, Louisiana Statement of Activities June 30, 2025 and 2024		
	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	\$ 721,677	\$ 782,178
Operating grants and contributions	1,255,775	7,789,246
Capital grants and contributions	1,348,943	150,001
General revenues:		
Sales and use taxes	15,728,250	14,887,369
Franchise taxes	1,897,821	1,872,783
Investment earnings	2,988,995	3,268,408
Proceeds from insurance	5,485	8,280
Gain on sale of assets	5,600	2,266
Other	24,809	5,078
Total revenues	<u>23,977,355</u>	<u>28,765,609</u>
Functions/Program expenses:		
General government	1,622,592	1,268,216
Public works	12,880,309	11,109,982
Public safety	1,515,473	1,387,516
Health and welfare	142,500	125,060
Highways and streets	477,667	7,926,981
Culture and recreation	603,000	22,000
Total expenses	<u>17,241,541</u>	<u>21,839,755</u>
Increase in net position	6,735,814	6,925,854
Beginning net position	<u>78,306,114</u>	<u>71,380,260</u>
Ending net position	<u>\$85,041,928</u>	<u>\$78,306,114</u>

The increase in net position of \$6.7 million is primarily attributed to growth in capital grants and contributions, which increased by approximately \$1.2 million, and an \$841,000 increase in sales and use taxes. Total expenses decreased by \$4.6 million or 21%, largely due to a \$7.5 million reduction in highways and streets expenditures following the completion of major road improvement projects. Although operating grants and contributions decreased by \$6.5 million, overall revenues totaled approximately \$24 million, representing a decrease of \$4.8 million or 17% compared to 2024.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than generic fund types.

### **Reporting the City's Most Significant Funds**

The City's major funds begin on page 17 with the fund financial statements that provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law, and the City Council establishes other funds to control and manage financial resources for particular purposes or to meet legal responsibilities for using certain taxes, grants and other financing sources.

**Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. All of the City's basic services are reported in governmental funds. These funds are reported using the modified accrual basis of accounting, which measures cash and other financial assets that can readily be converted to cash. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation to the financial statements. The governmental major funds (Exhibits A-2 and A-4) presentation uses the modified accrual basis and focuses on the major funds of the City. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. The City has six governmental funds, which are the General Fund, Emergency Services, Drainage, and Local Road Improvement & Maintenance Fund (ESDRIM Fund), Half Cent Sales Tax Fund, MovEBR Fund, and Traffic Contribution Fund special revenue funds, and the Capital Outlay and Improvement Fund.

**Notes to the financial statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-6.

**Other information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the City’s major special revenue funds and General Fund, which can be found in Exhibits B through B-3.

### **Financial Analysis of the Governmental Funds**

The general government operations of the City are accounted for in the General Fund, special revenue funds, and capital projects fund. The focus of these funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. The following is a summary of general governmental operations for 2025 by fund type:

	(in thousands)				
	2025				2024
	General Fund	Special Revenue Funds	Capital Projects Fund	Total	Total
Revenue	\$ 13,764	\$ 7,705	\$ 2,616	\$ 24,085	\$ 28,990
Expenditures	13,098	498	14,816	28,412	22,198
Other financing sources (uses)	(3,265)	(2,890)	6,166	11	14
Net change in fund balance	(2,599)	4,317	(6,034)	(4,316)	6,806
Beginning fund balance	28,225	33,557	7,856	69,638	62,832
Ending fund balance	<u>\$ 25,626</u>	<u>\$ 37,874</u>	<u>\$ 1,822</u>	<u>\$ 65,322</u>	<u>\$ 69,638</u>

The City’s governmental funds experienced a decrease in fund balance of approximately \$4.3 million during 2025. At year end, fund balance totaled \$65.3 million, of which \$13.9 million is unassigned and available for utilization at the City’s discretion. The remaining fund balance has been restricted for capital projects (\$22.4 million) or committed (\$28.8 million) and assigned (\$251,000) where internal constraints have been established by the City. At June 30, 2025, the fund balance of the General Fund was \$25.6 million compared to the fund balance of \$28.2 million at June 30, 2024. The General Fund’s sales and use tax revenues and investment earnings continued to increase in 2025, while intergovernmental grants and contributions and charges for services decreased. The General Fund’s overall expenditures increased by \$1.3 million in 2025.

In 2025, the Capital Outlay and Improvement Fund experienced a decrease in fund balance of \$6 million. The General Fund and Emergency Services, Drainage, and Local Road Improvement & Maintenance Fund transferred \$3.6 million and \$1.7 million to the Capital Outlay and Improvement Fund, respectively.

The City's other major funds are the ESDRIM, Half Cent Sales Tax, MovEBR, and Traffic Contribution special revenue type funds and the Capital Outlay and Improvement Fund, the City's only capital outlay type fund. The following is a summary of changes in fund balance by special revenue fund:

Fund	Fund Balance (in thousands)		
	Beginning	Net Change	Ending
ESDRIM	\$ 16,684	\$ 413	\$ 17,097
Half Cent Sales Tax	14,853	1,807	16,660
MovEBR	1,769	2,097	3,866
Traffic Contribution	252	-	252
Capital Outlay & Improvement	7,856	(6,034)	1,822
Total	<u>\$ 41,414</u>	<u>\$ (1,717)</u>	<u>\$ 39,697</u>

Sources of governmental revenues, excluding transfers, are summarized below:

<u>Source of Revenue</u>	(in thousands)			
	2025		2024	
	Revenue	%	Revenue	%
Sales and use taxes	\$ 15,728	66	\$ 14,887	51
Franchise taxes	1,898	8	1,873	7
Charges for services	722	3	782	3
Intergovernmental grants and contributions	2,748	11	8,179	28
Investment, net and other income	2,989	12	3,268	11
Total	<u>\$ 24,085</u>	<u>100</u>	<u>\$ 28,989</u>	<u>100</u>

Revenues of the governmental funds decreased by \$4.9 million, directly attributable to a decrease in intergovernmental grants and contributions, as the remaining \$7.6 million in American Rescue Plan Act funds was recognized in the prior year. Sales and use taxes and franchise taxes increased during 2025 by \$841,000 and \$25,000, respectively.

Governmental expenditures are summarized as follows:

<u>Functions</u>	(in thousands)			
	2025		2024	
	Expenditures	%	Expenditures	%
General government	\$ 1,518	5	\$ 1,219	5
Public works	12,880	45	11,110	50
Public safety	1,222	4	1,169	6
Highway and streets	141	1	7,574	34
Health and welfare	142	1	125	1
Culture and recreation	603	2	22	-
Capital outlay	11,906	42	979	4
Total	<u>\$ 28,412</u>	<u>100</u>	<u>\$ 22,198</u>	<u>100</u>

Governmental expenditures increased by \$6.2 million, or 28%. This increase is primarily attributable to higher capital outlay expenditures in 2025 related to the construction of the new City Hall building and the \$5.7 million property purchase for a Flood Control Project. Highways and streets expenditures decreased by \$7.4 million due to significant expenditures incurred in the prior year for road construction and maintenance projects.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the City’s General Fund operating budget was amended, which is a customary practice of the City, to reflect financial changes occurring throughout the fiscal year. The most significant changes during 2025 were as follows:

- Decrease in sales and use tax revenues by \$105,000 due to lower budgeted estimates,
- Increase in intergovernmental revenues by \$207,000 due to police department grants,
- Decrease in general governmental expenditures of \$624,000 primarily due to reduced contracted planning services, including the Master Plan,
- Decrease in public safety expenditures of \$250,000 due to lower budgeted salaries,
- Increase in culture and recreation expenditures of \$303,000 due to the development of Parks and Recreation Facilities within the City,
- Increase in capital outlay expenditures of \$361,000 due to equipment purchases,
- Increase in transfers from other funds of \$349,000 (ESDRIM),
- Increase in transfers to other funds of \$799,000 (Capital Outlay and Improvement).

With these adjustments, the budgeted change in fund balance was \$345,000 more than the original budgeted deficit of \$6,242,203.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

At the completion of the fiscal year ended June 30, 2025, the City’s investment in capital assets, comprising construction in progress, land, buildings, equipment, vehicles, and infrastructure, totaled \$18.8 million, net of accumulated depreciation of \$4.5 million.

	<u>2025</u>	<u>2024</u>
Construction in progress	\$ 7,142,803	\$ 2,167,704
Land	6,481,043	40,000
Buildings and improvements	92,369	103,514
Equipment	554,677	266,933
Vehicles	587,063	724,453
Infrastructure	<u>3,962,339</u>	<u>4,299,263</u>
Total assets, net of accumulated depreciation	<u>\$ 18,820,294</u>	<u>\$ 7,601,867</u>

The City elected to capitalize infrastructure assets, such as roads and bridges, on a prospective basis as a Phase 3 government, in accordance with GASB No. 34. As of June 30, 2025, the City has constructed \$6.8 million of infrastructure since inception. More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

### **Long-term Liabilities**

As of June 30, 2025, the City's long-term liabilities is comprised of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Net pension obligation	<u>\$285,207</u>	<u>\$ 42,060</u>	<u>\$ -</u>	<u>\$327,267</u>	<u>\$ -</u>

More detailed information about the City's long-term liabilities is presented in Note 8 to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The City's elected and appointed officials considered many factors when setting the fiscal year 2026 budget and tax rates, including the national, state, and local economies. The General Fund's revenue is budgeted to increase by \$20,000 from the final 2025 budget for the 2026 fiscal year, while expenditures are expected to decrease by 25% to \$14.9 million. The City anticipates tax revenue to increase by \$337,000 and intergovernmental revenue to decrease by \$145,000. Police department expenditures are expected to increase by \$144,000. The City anticipates expenditures for City Operations and Services to increase by \$299,000. The Planning and Zoning expenditures are expected to increase by \$187,000. The administration of the City has made it a priority to continue road improvements, infrastructure work, and the Master Drainage Plan to help guide the City's development with good, sound decisions.

### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Office at (225)261-5988, [www.centralgov.com](http://www.centralgov.com) or 13421 Hooper Road, Suite 8, Central, Louisiana, 70818.



**CITY OF CENTRAL, LOUISIANA**  
**BASIC FINANCIAL STATEMENTS**

**CITY OF CENTRAL, LOUISIANA**  
**STATEMENT OF NET POSITION**

June 30, 2025

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 22,179,824
Investments	42,135,663
Due from other governments	3,637,852
Accounts receivable	911,287
Prepaid and other assets	35,945
Capital assets:	
Nondepreciable	13,623,846
Depreciable, net	<u>5,196,448</u>
Total assets	<u>87,720,865</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension liability	<u>243,848</u>
Total assets and deferred outflows of resources	<u><u>\$ 87,964,713</u></u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 1,176,397
Contracts payable	1,406,430
Long-term liabilities:	
Net pension liability	<u>327,267</u>
Total liabilities	<u>2,910,094</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension liability	<u>12,691</u>
<b>NET POSITION</b>	
Investment in capital assets	18,820,294
Restricted for capital projects and maintenance	22,355,998
Unrestricted	<u>43,865,636</u>
Total net position	<u>85,041,928</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 87,964,713</u></u>

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

# CITY OF CENTRAL, LOUISIANA

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2025

		<b>Program Revenues</b>			<b>Net (Expenses) Revenue and Changes in Net Position</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Functions/Programs</b>					
Governmental activities:					
General government	\$ 1,622,592	\$ 721,677	\$ 10,850	\$ -	\$ (890,065)
Public works	12,880,309	-	1,099,057	1,187,772	(10,593,480)
Public safety - police	1,515,473	-	9,250	161,171	(1,345,052)
Health and welfare	142,500	-	-	-	(142,500)
Highways and streets	477,667	-	136,618	-	(341,049)
Culture and recreation	603,000	-	-	-	(603,000)
<b>Total</b>	<b>\$ 17,241,541</b>	<b>\$ 721,677</b>	<b>\$ 1,255,775</b>	<b>\$ 1,348,943</b>	<b>(13,915,146)</b>
<b>General revenues:</b>					
Taxes:					
Sales and use					15,728,250
Franchise					1,897,821
Investment income, net of fees					2,988,995
Proceeds from insurance					5,485
Gain on sale of assets					5,600
Contributions not restricted to specific programs and miscellaneous revenues					<u>24,809</u>
<b>Total general revenues</b>					<u>20,650,960</u>
<b>Change in net position</b>					<u>6,735,814</u>
<b>Net position - beginning of year</b>					<u>78,306,114</u>
<b>Net position - end of year</b>					<u><u>\$ 85,041,928</u></u>

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

## CITY OF CENTRAL, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2025

	Special Revenue Funds						Total Governmental Funds
	General	ESDRIM	Half Cent Sales Tax	MovEBR	Traffic Contribution	Capital Outlay and Improvement	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 8,021,836	\$ 3,162,171	\$ 4,383,315	\$ 3,506,004	\$ 251,387	\$ 2,855,111	\$ 22,179,824
Investments	15,181,824	14,606,678	12,347,161	-	-	-	42,135,663
Due from other governments	1,565,841	-	325,798	350,800	-	1,395,413	3,637,852
Accounts receivable	361,860	501,630	36,193	10,535	-	1,069	911,287
Due from other funds	1,586,320	-	-	-	-	-	1,586,320
Prepaid and other assets	35,945	-	-	-	-	-	35,945
Total assets	<u>\$ 26,753,626</u>	<u>\$ 18,270,479</u>	<u>\$ 17,092,467</u>	<u>\$ 3,867,339</u>	<u>\$ 251,387</u>	<u>\$ 4,251,593</u>	<u>\$ 70,486,891</u>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	\$ 1,127,593	\$ 7,728	\$ 11,803	\$ 1,333	\$ -	\$ -	\$ 1,148,457
Contracts payable	-	-	-	-	-	1,406,430	1,406,430
Due to other funds	-	1,165,934	420,386	-	-	-	1,586,320
Total liabilities	<u>1,127,593</u>	<u>1,173,662</u>	<u>432,189</u>	<u>1,333</u>	<u>-</u>	<u>1,406,430</u>	<u>4,141,207</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues	-	-	-	-	-	1,023,069	1,023,069
<b>FUND BALANCE</b>							
Nonspendable	35,945	-	-	-	-	-	35,945
Restricted	-	-	16,660,278	3,866,006	-	1,829,714	22,355,998
Committed	11,682,896	17,096,817	-	-	-	-	28,779,713
Assigned	-	-	-	-	251,387	-	251,387
Unassigned	<u>13,907,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,620)</u>	<u>13,899,572</u>
Total fund balance	<u>25,626,033</u>	<u>17,096,817</u>	<u>16,660,278</u>	<u>3,866,006</u>	<u>251,387</u>	<u>1,822,094</u>	<u>65,322,615</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 26,753,626</u>	<u>\$ 18,270,479</u>	<u>\$ 17,092,467</u>	<u>\$ 3,867,339</u>	<u>\$ 251,387</u>	<u>\$ 4,251,593</u>	<u>\$ 70,486,891</u>

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

**CITY OF CENTRAL, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**

June 30, 2025

Total net position reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds (Exhibit A-2)	\$ 65,322,615
Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds.	18,820,294
Liabilities that are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued compensated absences	(27,940)
Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current period expenditures.	
Capital grants and contributions	1,023,069
Pension related obligations that are not due and payable with current resources and, therefore, are not reported in governmental funds.	
Deferred outflows related to pension liability	243,848
Net pension liability	(327,267)
Deferred inflows related to pension liability	(12,691)
	(96,110)
Net position of governmental activities (Exhibit A)	\$ <u>85,041,928</u>

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

**CITY OF CENTRAL, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**

For the year ended June 30, 2025

	Special Revenue Funds						Total
	General	ESDRIM	Half Cent Sales Tax	MovEBR	Traffic Contribution	Capital Outlay and Improvement	Governmental Funds
<b>REVENUES</b>							
Taxes:							
Sales and use	\$ 11,630,919	\$ -	\$ 2,049,872	\$ 2,047,459	\$ -	\$ -	\$ 15,728,250
Franchise	-	1,897,821	-	-	-	-	1,897,821
Charges for services	721,677	-	-	-	-	-	721,677
Intergovernmental grants and contributions	212,135	222,270	324	324	-	2,312,794	2,747,847
Investment income, net of fees	1,199,631	743,382	680,472	62,193	-	303,317	2,988,995
Total revenues	13,764,362	2,863,473	2,730,668	2,109,976	-	2,616,111	24,084,590
<b>EXPENDITURES</b>							
Current function:							
General government	1,517,613	-	-	-	-	-	1,517,613
Public works	9,042,299	438,505	-	-	-	3,399,505	12,880,309
Public safety - police	1,221,750	-	-	-	-	-	1,221,750
Highways and streets	81,456	-	46,661	12,626	-	-	140,743
Health and welfare	142,500	-	-	-	-	-	142,500
Culture and recreation	603,000	-	-	-	-	-	603,000
Capital outlay	489,697	-	-	-	-	11,416,142	11,905,839
Total expenditures	13,098,315	438,505	46,661	12,626	-	14,815,647	28,411,754
Excess (deficiency) of revenues over expenditures	666,047	2,424,968	2,684,007	2,097,350	-	(12,199,536)	(4,327,164)
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from insurance	5,485	-	-	-	-	-	5,485
Proceeds from sale of assets	5,600	-	-	-	-	-	5,600
Transfers in	349,215	-	-	-	-	6,165,616	6,514,831
Transfers out	(3,625,365)	(2,012,595)	(876,871)	-	-	-	(6,514,831)
Total other financing sources (uses)	(3,265,065)	(2,012,595)	(876,871)	-	-	6,165,616	11,085
Net change in fund balance	(2,599,018)	412,373	1,807,136	2,097,350	-	(6,033,920)	(4,316,079)
<b>FUND BALANCE</b>							
Beginning of year	28,225,051	16,684,444	14,853,142	1,768,656	251,387	7,856,014	69,638,694
End of year	\$ 25,626,033	\$ 17,096,817	\$ 16,660,278	\$ 3,866,006	\$ 251,387	\$ 1,822,094	\$ 65,322,615

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

**CITY OF CENTRAL, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF ACTIVITIES**

For the year ended June 30, 2025

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balance - total governmental fund (Exhibit A-4)		\$ (4,316,079)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense.		
Capital outlay	\$ 11,905,839	
Depreciation expense	<u>(687,412)</u>	11,218,427
Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities.		
Unavailable revenue - capital grants and contributions		209,269
Revenues that are available to pay current obligations are not reported in the fund financial statements, but they were presented as revenues in the statement of activities in prior years.		
Unavailable revenue - operating grants and contributions	(321,535)	
Unavailable revenue - capital grants and contributions	<u>(30,863)</u>	(352,398)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Net change in compensated absences payable		(11,147)
Changes in net pension liability is reported only in the Statement of Activities.		<u>(12,258)</u>
Change in net position of governmental activities (Exhibit A-1)		<u><u>\$ 6,735,814</u></u>

**CITY OF CENTRAL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Central (City) was established on July 11, 2005 and is a political subdivision of the State of Louisiana. The City, under the provisions of the Lawrason Act, enacts ordinances, sets policy and establishes programs in such fields as public safety, public works, health and welfare, and highways and streets.

**Statement Presentation**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The significant accounting policies established in GAAP and used by the City are described below.

**Reporting Entity**

As the municipal governing authority, for reporting purposes, the City is considered a financial reporting entity. The financial reporting entity consists of (a) the primary municipal government, and where applicable (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The criteria for determining which component units should be considered part of the City for financial reporting purposes are as follows:

1. Appointing a voting majority of an organization's governing body and,
  - a. The ability of the City to impose its will on that organization and/or,
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but which are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the Organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the City; there are no component units to be reported in the City's financial statements.



## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Basis of Presentation**

The City's basic financial statements consist of the government-wide statements of the primary government (the City) and the fund financial statements (individual major funds and combined non-major funds). The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

### **Government-wide Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities for all non-fiduciary activities of the City. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. *Governmental activities* generally are financed through taxes, intergovernmental revenues, investment income, and other nonexchange revenues.

The government-wide 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, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

### **Fund Financial Statements**

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund types are summarized into a single column in the basic financial statements. The City does not have any non-major funds or business-type categories.

The daily operations of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The City does not have any proprietary or fiduciary funds.

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Financial Statements (Continued)**

A fund is considered major if it is the primary operating fund of the City (the General Fund) or meets the following criteria:

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

If a fund does not meet the criteria above, it is classified as a nonmajor fund according to governmental reporting standards. The City may elect to report a nonmajor fund as a major fund in the financial statements based on the nature of fund operations or if the City considers the fund to be an integral component to its operations.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The various funds of the primary government presented in the financial statements are described as follows:

***Governmental Fund Types***

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the City are accounted for through governmental funds. Measurement is focused upon determining changes in financial position, rather than net income. The following are the governmental fund types of the City:

***General Fund*** - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always a major fund.

(Continued)

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Fund Financial Statements (Continued)

#### *Governmental Fund Types (Continued)*

***Special Revenue Funds*** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted, committed, or assigned to expenditures for specified purposes. All special revenue funds that are considered major funds are the Emergency Services, Drainage, and Local Road Improvement & Maintenance Fund (ESDRIM Fund), the Half Cent Sales Tax Fund, the MovEBR Fund, and the Traffic Contribution Fund. The ESDRIM Fund and the Half Cent Sales Tax Fund account for the collection of franchise tax and restricted sales tax, respectively. The MovEBR Fund accounts for collection of restricted sales tax for the improvement of roads within the City. The Traffic Contribution Fund accounts for fees charged to local developers that are assigned to assist with traffic related matters impacted by their developments.

***Capital Outlay and Improvement Fund*** - The Capital Outlay and Improvement Fund is used to account for the acquisition or construction of facilities and infrastructure. The Capital Outlay and Improvement Fund is considered a major fund.

### Basis of Accounting and Measurement Focus

#### *Government-wide financial statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Program revenues for governmental activities include operating and capital grants, and licenses and permits.

#### *Fund financial statements*

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Governmental funds are maintained on the modified accrual basis of accounting. Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services and other revenues are recorded as earned since they are measurable and available.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Basis of Accounting and Measurement Focus (Continued)**

#### ***Fund financial statements (Continued)***

Nonexchange transactions, in which the City receives value without directly giving value in return, include sales and use tax, franchise tax, and intergovernmental grants. Sales taxes and franchise taxes are recorded when in possession of the intermediary collecting agent and are recognized as revenue at that time and subject to the availability criteria. Intergovernmental grants are recorded as revenue when the City is entitled to the funds, generally corresponding to when grant related costs are incurred by the City, but subject to the availability criteria.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) unmatured interest on general long-term debt which is recognized when due, and (2) claims and judgments, and compensated absences which are recorded as expenditures in the governmental fund type when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

### **Cash, Cash Equivalents, and Investments**

A consolidated bank account has been established into which substantially all monies are deposited and from which most disbursements are made. The purpose of this consolidation of bank accounts is to provide administrative efficiency and to maximize investment earnings. The accounts entitled "Cash and cash equivalents" are therefore composed of a fund's pro rata share of the cash balance in the consolidated cash account.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investment policy of the City is governed by state statutes that include depository and custodial contract provisions. The City invests funds in accordance with L.R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States Treasury Bonds, Treasury Notes, Treasury Bills, corporate stocks, and fully collateralized interest-bearing checking accounts and certificates of deposit.

Other provisions require depositories to insure or collateralize all deposits in accordance with state statutory law and require securities collateralizing deposits to be held by an independent third party with whom the City has a custodial agreement. The City primarily invests idle funds in governmental obligations and commercial paper.

Investments are stated at fair value. Unrealized gains and losses on investments recorded at fair value are included in investment income or losses.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Accounts Receivable and Due from Other Governments**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. For governmental activities, uncollectible amounts due for receivables and due from other governments are recognized as bad debts through the use of an allowance account or expensed at the time information becomes available indicating that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. Due from other governments amounts related to grants are estimates, and actual results may differ from those estimates. No allowance has been recorded at June 30, 2025.

### **Leased Asset Receivable**

Leased asset receivables are a result of leases in which the City has entered into a contract with a lessee that delivers the right to use a nonfinancial asset of the City as specified by the contract for a period of time in an exchange or exchange-like transaction. Such receivables are reported on the government-wide financial statements at present value of the lease payments to be received during the lease term. Additionally, the City would recognize a deferred inflow of resources that is reported at the value of the lease receivable plus any payments received at or before the commencement of the lease for future periods. Assets of the agreement entered into in which the City is the lessor are retained as capital assets of the City and are reported in the government-wide financial statements as described under Capital Assets. The City has not entered into any agreements delivering control of a right to use a nonfinancial asset to a lessee as described above during the year ended June 30, 2025.

### **Interfund Receivables/Payables**

During the course of operations, transactions may occur between individual funds. Those related to short-term borrowings are classified as “due from other funds” or “due to other funds” on the balance sheet. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 11 for details of interfund transactions, including interfund receivables and payables, at year-end.

### **Interfund Transfers**

Advances between funds which are not expected to be repaid are accounted for as transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

In those cases where repayment is expected, the advances are accounted for through the various interfund accounts.

(Continued)

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Deferred Outflows and Inflows of Resources**

#### ***Government-wide Statements***

In addition to assets in the government-wide financial statements, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then. The City has one item that qualifies for this category, which is deferred outflows of resources related to pension liability and is reported in the government-wide statements.

In addition to liabilities in the government-wide financial statements, the Statement of Net Position may report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) at that time. The City has one item that qualifies for this category, which is deferred inflows of resources related to pension liability and is reported in the government-wide statements.

#### ***Fund Financial Statements***

In the fund financial statements, unavailable revenues are accounted as deferred inflows of resources. This item is reported only in the governmental funds balance sheet. The amounts deferred are recognized as an inflow of resources in the period that the amounts become available.

### **Capital Assets**

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

#### ***Government-wide Statements***

In the government-wide financial statements, long-term assets are accounted for as capital assets, which include land, buildings and improvements, equipment, vehicles and infrastructure assets (streets, roads, bridges and drainage systems). All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation and primarily relate to public safety equipment and vehicles. The City's capitalization policy stipulates a capitalization threshold of \$2,500.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are expensed. Major outlays for capital assets and improvements are capitalized at completion of construction projects.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is computed using the straight-line method of depreciation over the asset's estimated useful life, as follows:

Buildings & improvements	5-7 years
Equipment	3-10 years
Vehicles	5 years
Infrastructure	10-20 years

***Fund Financial Statements***

In the fund financial statements, capital assets used in governmental fund operations are recorded as capital outlay expenditures of the governmental fund types when purchased.

**Right-of-Use Assets**

Right-of-use assets are a result of leases in which the City has entered into a contract with a lessor that conveys control of the right to use the lessor's nonfinancial asset as specified by the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statement net of amortization. Right-of-use assets are amortized at the lesser of the useful life or lease term. The City has not entered into any agreements gaining control of the right to use a lessor's nonfinancial assets as described above at June 30, 2025.

**Subscription-Based Information Technology Arrangements**

Subscription-based information technology arrangements (SBITA) are contracts that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statement net of amortization. SBITAs are amortized during the extent of the agreement. The City has not entered into any agreements gaining control of the right to use another party's information technology as described above at June 30, 2025.

**Compensated Absences**

The City has the following policy relating to vacation and sick leave:

The full time employees of the City accrue four to five and a half hours of vacation leave, depending on length of service, for each two-week pay period worked for a total of 104 to 144 hours per year, respectively. Vacation is payable for up to 240 hours upon resignation, termination or retirement at the employee's current rate of pay. As of June 30, 2025, accrued compensated absences was \$27,940.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Pensions

For purposes of measuring the net pensions liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System of Louisiana (MERS) and Municipal Police Employees' Retirement System of Louisiana (MPERS) and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by MERS and MPERS.

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.

### Government-wide Net Position

Government-wide net position is divided into three components:

- Net investment in capital assets—consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance the acquisition of those assets.
- Restricted net position—consists of net position that is restricted by the City's creditors (for example, through debt covenants), by state or local enabling legislation (through restrictions on shared revenues or taxes), by grantors, and by other contributors.
- Unrestricted—all other net position is reported in this category.

In the government-wide net position, restricted resources available for use will be depleted prior to use of unrestricted resources.

### Governmental Fund Balances

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

- Nonspendable—Amounts that cannot be spent either because they are nonspendable in form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance. This designation includes the Budget Reserve Account.
- Assigned—Amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by City Council.
- Unassigned—All amounts not included in other spendable classifications.



## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Governmental Fund Balances (Continued)**

#### ***Use of Restricted Resources***

When expenditures are incurred in governmental funds, the City's policy is to apply the expenditure in the following priority:

1. Restricted fund balance,
2. Committed fund balance,
3. Assigned fund balance, and
4. Unassigned fund balance.

Fund balance represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The General Fund is the only fund that reports a positive unassigned fund balance, although other governmental funds may report a negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned.

### **Budget Policy and Budgetary Accounting**

A proposed budget is prepared and submitted by the Mayor to the City Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to adoption of the budget.

The annual operating budget is prepared on the modified accrual basis of accounting. At the end of the fiscal period, unexpended appropriations automatically lapse. Budget amendments are approved by the City Council and are included in the financial statements.

In connection with budget preparation, a portion of the unassigned fund balance of an individual fund may be designated for expenditures of the subsequent period. Such designation represents the extent to which the fund balance is used to balance the subsequent period's operating budget of that fund, as reflected in the legally adopted budget.

### **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 disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of the government-wide financial statements during the reporting period.

Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation, valuation of investments, grant receivables (due from other governments), deferred outflows and inflows, and net pension liability.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Current Accounting Standards Implemented

During the year, the City implemented policies established under GASB Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The adoption of this statement did not materially impact the City's governmental activities or financial position as of June 30, 2025.

Additionally, during the fiscal year, the City implemented policies under GASB Statement No. 102, *Certain Risk Disclosures*. This Statement establishes disclosure requirements regarding concentrations and constraints that could expose a government to certain risks of loss or limit its ability to provide services or meet obligations. Disclosures are required when (1) a concentration or constraint is known to the government prior to the issuance of the financial statements, (2) the concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact, and (3) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This Statement has no impact on the City's financial statements for the year ended June 30, 2025.

### Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 19, 2025, which was the date the financial statements were available to be issued.

## NOTE 2 - DEPOSITS AND INVESTMENTS

### Deposits

At June 30, 2025, the carrying amount of the City's deposits totaled \$22,179,824 and the related bank balances were \$22,199,159. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. Additionally, state law requires that deposits be fully secured. At June 30, 2025, the City's deposits were not exposed to any custodial risk.

The above stated bank balances for the City are collateralized as follows:

	<u>Amount</u>
Category 1 - Amount insured by the FDIC	\$ 250,000
Category 2 - Amount collateralized with securities held by pledging financial institution's trust department in the City's name	8,039,440
Balances not subject to collateralization:	
Investments in U.S. securities	<u>13,909,719</u>
Total bank balances	<u>\$ 22,199,159</u>

### Investments

#### *Credit Risk*

The City is authorized by LA R.S. 39:1211-1245 and 33:2955 to invest temporarily idle monies in United States bonds, treasury notes, commercial paper, certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments, or any other investment allowed by state statute for local governments. As of June 30, 2025, the City's investments were rated AAA by Moody's Investors Service and AAA by Standard & Poor's.

#### *Concentration of Credit Risk*

The City's investment policy does not limit the amount the City may invest in any one issuer. More than 5% of the City's investments are in treasuries issued by the United States. These investments are 47% of total investments as of June 30, 2025.

#### *Interest Rate Risk*

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. The City's investment policy does not limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

## NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

### Investments (Continued)

As of June 30, 2025, the City had the following investments and maturities:

Investment Type	Fair Value	Less Than 1 Year	1-5 Years	Over 5 years
<b>General Fund:</b>				
U.S. Treasuries	\$ 12,944,689	\$ 8,036,181	\$ 4,908,508	\$ -
Municipal Bonds	742,983	742,983	-	-
Mortgage Backed Securities	896,982	-	-	896,982
U.S. Agencies	597,170	597,170	-	-
<b>ESIDRM Fund:</b>				
U.S. Treasuries	12,033,482	10,106,085	1,927,397	-
Municipal Bonds	1,093,321	1,093,321	-	-
Mortgage Backed Securities	638,022	-	-	638,022
U.S. Agencies	642,945	642,945	-	-
Corporate Bonds	198,908	198,908	-	-
<b>Half Cent Sales Tax Fund:</b>				
U.S. Treasuries	10,101,151	9,295,148	806,003	-
Municipal Bonds	914,448	914,448	-	-
Mortgage Backed Securities	589,431	-	-	589,431
U.S. Agencies	346,056	346,056	-	-
Corporate Bonds	396,075	248,635	147,440	-
Total Investments	<u>\$ 42,135,663</u>	<u>\$ 32,221,880</u>	<u>\$ 7,789,348</u>	<u>\$ 2,124,435</u>

## NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025 were as follows:

	Amount
Franchise fees	\$ 439,781
Interest from investments	248,212
Code enforcement fees	109,536
Insurance licenses	82,673
Other	<u>31,085</u>
Total primary government	<u>\$ 911,287</u>

#### NOTE 4 - DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2025 consisted of the following:

	<u>Amount</u>
Sales and use tax	\$ 2,205,495
Grants	<u>1,432,357</u>
Total primary government	<u>\$ 3,637,852</u>

#### NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2025 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated</b>				
Land	\$ 40,000	\$ 6,441,043	\$ -	\$ 6,481,043
Construction in progress	<u>2,167,704</u>	<u>4,975,099</u>	<u>-</u>	<u>7,142,803</u>
Total capital assets not being depreciated	<u>2,207,704</u>	<u>11,416,142</u>	<u>-</u>	<u>13,623,846</u>
<b>Capital assets being depreciated</b>				
Buildings and improvements	236,229	-	-	236,229
Equipment	868,457	424,698	-	1,293,155
Vehicles	1,269,997	64,999	-	1,334,996
Infrastructure	<u>6,821,294</u>	<u>-</u>	<u>-</u>	<u>6,821,294</u>
Total capital assets being depreciated	<u>9,195,977</u>	<u>489,697</u>	<u>-</u>	<u>9,685,674</u>
Total capital assets	<u>11,403,681</u>	<u>11,905,839</u>	<u>-</u>	<u>23,309,520</u>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	132,715	11,145	-	143,860
Equipment	601,525	136,953	-	738,478
Vehicles	545,543	202,390	-	747,933
Infrastructure	<u>2,522,031</u>	<u>336,924</u>	<u>-</u>	<u>2,858,955</u>
Total accumulated depreciation	<u>3,801,814</u>	<u>687,412</u>	<u>-</u>	<u>4,489,226</u>
<b>Depreciable capital assets, net</b>	<u>5,394,163</u>	<u>(197,715)</u>	<u>-</u>	<u>5,196,448</u>
<b>Total capital assets, net</b>	<u>\$ 7,601,867</u>	<u>11,218,427</u>	<u>\$ -</u>	<u>\$18,820,294</u>

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense for the year ended June 30, 2025 charged to general government, public safety, and highways and streets functions was \$56,765, \$293,723, and \$336,924, respectively.

**NOTE 6 - CONTINGENCIES**

**Risk Management**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. There were no major changes in insurance coverage from the prior year, and settlements have not exceeded coverage in the current year or the past three years.

**Contract Commitments**

As of June 30, 2025, the City had outstanding commitments on engineering and construction contracts in progress of approximately \$4,862,000.

**Grants**

The City receives federal, state, and local grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of City management that its compliance with the terms of grants will result in negligible, if any, disallowed costs.

**NOTE 7 - INTERGOVERNMENTAL AGREEMENTS**

**Animal Control Services Agreement**

The City has a contractual arrangement whereby the Parish agrees to provide the services of the Parish's Animal Control Department to the City based on an annual fee. For the 2025 calendar year, the City will pay the Parish \$153,440 annually, or \$12,787 per month.

**City Operations Services Agreement**

The City entered into an agreement with Institute for Building Technology and Safety (IBTS) to provide management and operational services for City operations. In June 2023, the City renewed the IBTS contract for an additional five years ending June 30, 2028. In consideration for the service provided by IBTS under this contract, the City will pay a base compensation for the year ending June 30, 2025, of \$6,732,675. For the remaining three years of the contract, IBTS will escalate fees in accordance with the current Consumer Price Index for All Urban Consumers. IBTS will submit a memorandum of record prior to the next fiscal year with the revised annual amount.

## NOTE 7 - INTERGOVERNMENTAL AGREEMENTS

### City Operations Services Agreement (Continued)

Under the renewed contract, the City will pay drainage maintenance fees of \$35,039 and \$26,880 per mile for excavation and cleaning, respectively.

## NOTE 8 - PENSION PLAN

The City of Central is a participating employer in two cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the Municipal Employees' Retirement System of Louisiana (MERS) and the Municipal Police Employees' Retirement System (MPERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees.

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

**MERS:** 7937 Office Park Boulevard | Baton Rouge, Louisiana 70809 | [www.mersla.com](http://www.mersla.com)

**MPERS:** 7722 Office Park Boulevard | Baton Rouge, Louisiana 70809 | [www.lampers.org](http://www.lampers.org)

The City implemented Government Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions* and Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an Amendment of GASB Statement No. 68. These standards require the City to record its proportional share of each of the pension plans net pension liability and report the following disclosures:

### Plan Descriptions:

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

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. For the Plan's year ended June 30, 2024, there were 87 contributing municipalities in Plan A.

(Continued)

**NOTE 8 - PENSION PLAN (CONTINUED)**

**Plan Descriptions (Continued):**

**Municipal Police Employees' Retirement System (MPERS)**

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers.

**Funding Policy**

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

	City	Employees
<b>Municipal Employees' Retirement System (Plan A)</b>	29.50%	10.00%
<b>Municipal Police Employees' Retirement System</b>		
All employees hired prior to 01/01/2013 and all		
Hazardous Duty employees hired after 01/01/2013	33.93%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	33.93%	8.00%
Employees receiving compensation below poverty		
guidelines of US Department of Health	36.43%	7.50%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

Plan	2025	2024	2023
MERS (Plan A)	\$ 78,659	\$ 68,189	\$ 46,691
MPERS	21,022	-	-
Total	<u>\$ 99,681</u>	<u>\$ 68,189</u>	<u>\$ 46,691</u>



**NOTE 8 - PENSION PLAN (CONTINUED)**

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

The following schedule lists the City's proportionate share of the net pension liability allocated by each of the pension plans for based on the June 30, 2024 measurement date. The City uses this measurement date to record its net pension liability and associated amounts as of June 30, 2025 in accordance with GASB Statement No. 68. The schedule also includes the proportionate share allocation rate used at June 30, 2024 along with the change compared to the June 30, 2023 rate. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2025	Current Measurement Rate	Previous Measurement Rate	Increase
MERS	\$ 318,733	0.1133%	0.0780%	0.0353%
MPERS	<u>8,534</u>	0.0009%	0.0000%	0.0009%
Total	<u>\$ 327,267</u>			

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

	Total
Municipal Employees' Retirement Fund	\$ 37,067
Municipal Police Employees' Retirement Fund	<u>(18,939)</u>
Total	<u>\$ 18,128</u>

(Continued)

**NOTE 8 - PENSION PLAN (CONTINUED)**

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

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

Deferred outflows of resources:	MERS	MPERS
Differences between expected and actual experience	\$ -	\$ 462
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	4,292	237
Changes in proportion and differences between employer contributions and proportionate share of contributions	133,166	6,010
Differences between allocated and actual contributions	-	-
Employer contributions subsequent to the measurement date	78,659	21,022
	<u>\$ 216,117</u>	<u>\$ 27,731</u>
Deferred inflows of resources:	MERS	MPERS
Differences between expected and actual experience	\$ 10,553	\$ 258
Changes of assumptions	1,880	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Differences between allocated and actual contributions	-	-
Employer contributions subsequent to the measurement date	-	-
	<u>\$ 12,433</u>	<u>\$ 258</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' System (Plan A)	\$ 216,117	\$ 12,433
Municipal Police Employees' Retirement Fund	27,731	258
	<u>\$ 243,848</u>	<u>\$ 12,691</u>

**NOTE 8 - PENSION PLAN (CONTINUED)**

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

The City reported \$99,681 as deferred outflows of resources related to pensions resulting from City contributions into the MERS plan made subsequent to the measurement date, which will be recognized as a reduction in net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	MERS	MPERS	Total
2025	\$ 84,198	\$ 2,048	\$ 86,246
2026	59,681	2,840	62,521
2027	(10,941)	1,715	(9,226)
2028	(7,913)	(152)	(8,065)
	<u>\$ 125,025</u>	<u>\$ 6,451</u>	<u>\$ 131,476</u>

**Actuarial Assumptions**

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

	Valuation Date	Expected Remaining Service Lives	Investment Rate of Return, net
<b>MERS</b>	June 30, 2024	3 years	6.850%
<b>MPERS</b>	June 30, 2024	4 years	6.750%

The MERS actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period from July 1, 2018 through June 30, 2023, using the entry age normal actuarial cost method.

The MPERS actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period from July 1, 2014 through June 30, 2019, using the entry age normal actuarial cost method.

**NOTE 8 - PENSION PLAN (CONTINUED)**

**Actuarial Assumptions (Continued)**

***Mortality:***

**MERS**

For annuitants and beneficiaries, the PubG-2010(B) Healthy Retiree Table set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales.

For employees, the PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, adjusted using their respective male and female MP2021 scales.

For disabled lives, the PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and females with the full generational MP2021.

**MPERS**

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.

For disabled lives, the Pub-2010 public retirement plans mortality table for safety disable 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.

***Salary Increases:***

**MERS**

<u>Years of Service</u>	<u>Salary Growth Rate</u>
1-2	9.00%
Above 2	4.40%

**MPERS**

<u>Years of Service</u>	<u>Salary Growth Rate</u>
1-2	12.30%
Above 2	4.70%

## NOTE 8 - PENSION PLAN (CONTINUED)

### Actuarial Assumptions (Continued)

#### *Cost of Living Adjustments:*

##### **MERS**

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

##### **MPERS**

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

#### *Long-Term Expected Rate of Return:*

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

##### **MERS**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rates of return is 6.85% for the year ended June 30, 2024.

**NOTE 8 - PENSION PLAN (CONTINUED)**

**Actuarial Assumptions (Continued)**

***Long-Term Expected Rate of Return (Continued):***

**MPERS**

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 the 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.

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in system target asset allocations as of June 30, 2024.

Asset Class	Target Allocation		Long - Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Equity	56%	52%	2.44%	3.14%
Fixed Income	29%	34%	1.26%	1.07%
Alternatives	15%	14%	0.65%	1.03%
Total	100%	100%	4.35%	5.24%
Inflation			2.50%	2.62%
Expected Arithmetic Nominal Return			6.85%	7.86%

**Discount Rate**

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and MPERS was 6.85% and 6.75%, respectively for the year ended June 30, 2024.

**NOTE 8 - PENSION PLAN (CONTINUED)**

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

The following table presents the City's proportionate share of the net pension liability using the discount rate of each retirement system, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the retirement systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
<b>MERS</b>			
Discount Rates	5.85%	6.85%	7.85%
Share of Net Pension Liability \$	479,965	\$ 318,733	\$ 182,626
<b>MPERS</b>			
Discount Rates	5.75%	6.75%	7.75%
Share of Net Pension Liability \$	12,678	\$ 8,534	\$ 5,076

**NOTE 9 - NET POSITION AND GOVERNMENTAL FUND BALANCES**

**Restricted Net Position and Fund Balance**

Details of restricted net position and governmental fund balance as reported in the government-wide statement of net position and governmental funds' balance sheets, are as follows:

	<u>Amount</u>
Net assets/fund balance restricted for:	
Capital projects and maintenance:	
Restricted sales tax for construction	\$ 13,782,386
Restricted sales tax for rehabilitation	4,184,067
Restricted sales tax for beautification	523,539
MovEBR:	
Restricted sales tax for roads, drainage, and community enhancement projects	<u>3,866,006</u>
Total restricted net position/fund balance	<u>\$ 22,355,998</u>

(Continued)

**NOTE 9 - NET POSITION AND GOVERNMENTAL FUND BALANCES (CONTINUED)**

**Committed Fund Balance**

Details of committed fund balance as reported in the governmental funds' balance sheets are as follows:

	<u>Amount</u>
Fund balance committed for:	
Operating reserve	\$ 11,682,896
Emergency, repairs and maintenance:	
Dedicated franchise tax for emergency	12,737,200
Dedicated franchise tax for drainage	3,338,723
Dedicated franchise tax for road maintenance	<u>1,020,894</u>
Total committed fund balance	<u>\$ 28,779,713</u>

Per City ordinance, an operating reserve shall be maintained in the amount equal to 100% of the City's prior fiscal year General Fund operating expenditures. In the event the operating reserve falls below the minimum requirements set forth in said ordinance, a minimum of 15% of the General Fund operating expenses of the City's prior fiscal year shall be transferred to the operating reserve committed fund balance for each subsequent year until the minimum requirements set forth in said ordinance are met.

**NOTE 10 - COUNCIL MEMBER COMPENSATION**

During the year ended June 30, 2025, Council members received compensation, including per diem payments, as follows:

<u>Council Members - term beginning January 1, 2024</u>	<u>Amount</u>
Timothy "Tim" Lazaroe	\$ 9,600
Aaron McKinney	9,600
Briton J. Myer	9,600
Joshua D. Roy	9,600
Despo "D'Ann" Wells	9,600
Jack D. Lavergne III	9,600
Kim A. Fralick	<u>9,600</u>
Total	<u>\$ 67,200</u>



## NOTE 11 - INTERFUND TRANSACTIONS

At June 30, 2025, the General Fund reported interfund receivables totaling \$1,586,320, consisting of \$1,165,934 due from the ESDRIM Fund and \$420,386 due from the Half Cent Sales Tax Fund. These balances represent pooled cash activity and reflect amounts owed back to the General Fund by each respective fund.

The interfund transfers of the primary government at June 30, 2025 were as follows:

Individual Fund	Transfer In	Transfers Out
<b>Primary government activities:</b>		
<b>General Fund:</b>		
ESDRIM Fund	\$ 349,215	\$ -
Capital Outlay and Improvement Fund	-	3,625,365
<b>Total General Fund</b>	<u>349,215</u>	<u>3,625,365</u>
<b>ESDRIM Fund:</b>		
General Fund	-	349,215
Capital Outlay and Improvement Fund	-	1,663,380
<b>Total ESDRIM Fund</b>	<u>-</u>	<u>2,012,595</u>
<b>Half Cent Sales Tax Fund:</b>		
Capital Outlay and Improvement Fund	-	876,871
<b>Capital Outlay and Improvement Fund:</b>		
General Fund	3,625,365	-
ESDRIM Fund	1,663,380	-
Half Cent Sales Tax Fund	876,871	-
<b>Total Capital Outlay and Improvement Fund</b>	<u>6,165,616</u>	<u>-</u>
Total primary government	<u>\$ 6,514,831</u>	<u>\$ 6,514,831</u>

## NOTE 12 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### Expenditures Exceeding Appropriations

Excess of expenditures over appropriations in functions within the fund occurred as follows:

	Original Budget	Final Budget	Actual	Excess over Final Budget
<b>General Fund:</b>				
Current function:				
Public safety - police	\$ 1,439,513	\$ 1,189,146	\$ 1,221,750	\$ (32,604)

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF CENTRAL, LOUISIANA  
GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2025

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - positive (negative)</b>
<b>REVENUES</b>				
Sales and use taxes	\$ 11,538,705	\$ 11,433,500	\$ 11,630,919	\$ 197,419
Charges for services	637,785	709,045	721,677	12,632
Intergovernmental grants and contributions	14,800	221,385	212,135	(9,250)
Other	<u>936,500</u>	<u>1,200,499</u>	<u>1,199,631</u>	<u>(868)</u>
Total revenues	<u>13,127,790</u>	<u>13,564,429</u>	<u>13,764,362</u>	<u>199,933</u>
<b>EXPENDITURES</b>				
Current function:				
General government	2,194,065	1,570,144	1,517,613	52,531
Public works	9,257,675	9,191,175	9,042,299	148,876
Public safety - police	1,439,513	1,189,146	1,221,750	(32,604)
Highways and streets	210,000	138,500	81,456	57,044
Health and welfare	142,500	142,500	142,500	-
Culture and recreation	300,000	603,000	603,000	-
Capital outlay	<u>134,735</u>	<u>496,035</u>	<u>489,697</u>	<u>6,338</u>
Total expenditures	<u>13,678,488</u>	<u>13,330,500</u>	<u>13,098,315</u>	<u>232,185</u>
Excess (deficiency) of revenues over expenditures	(550,698)	233,929	666,047	432,118
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from insurance	-	5,500	5,485	(15)
Proceeds from sale of assets	-	4,800	5,600	800
Transfers in	-	349,215	349,215	-
Transfers out	<u>(5,691,505)</u>	<u>(6,491,000)</u>	<u>(3,625,365)</u>	<u>2,865,635</u>
Total other financing sources (uses)	<u>(5,691,505)</u>	<u>(6,131,485)</u>	<u>(3,265,065)</u>	<u>2,866,420</u>
Net change in fund balance	<u>\$ (6,242,203)</u>	<u>\$ (5,897,556)</u>	<u>(2,599,018)</u>	<u>\$ 3,298,538</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>28,225,051</u>	
End of year			<u>\$ 25,626,033</u>	

**CITY OF CENTRAL, LOUISIANA**  
**ESDRIM FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2025

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - positive (negative)</b>
<b>REVENUES</b>				
Franchise taxes	\$ 1,937,180	\$ 1,902,000	\$ 1,897,821	\$ (4,179)
Intergovernmental grants and contributions	428,611	230,000	222,270	(7,730)
Investment income, net of fees	<u>679,000</u>	<u>718,700</u>	<u>743,382</u>	<u>24,682</u>
Total revenues	<u>3,044,791</u>	<u>2,850,700</u>	<u>2,863,473</u>	<u>12,773</u>
<b>EXPENDITURES</b>				
Current function:				
Public works	<u>2,000,000</u>	<u>457,000</u>	<u>438,505</u>	<u>18,495</u>
Excess of revenues over expenditures	1,044,791	2,393,700	2,424,968	31,268
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(1,807,981)</u>	<u>(2,157,196)</u>	<u>(2,012,595)</u>	<u>144,601</u>
Net change in fund balance	<u>\$ (763,190)</u>	<u>\$ 236,504</u>	412,373	<u>\$ 175,869</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>16,684,444</u>	
End of year			<u>\$ 17,096,817</u>	

**CITY OF CENTRAL, LOUISIANA**  
**HALF CENT SALES TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2025

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - positive (negative)</b>
<b>REVENUES</b>				
Sales and use taxes	\$ 1,943,060	\$ 2,005,050	\$ 2,049,872	\$ 44,822
Intergovernmental grants and contributions	-	324	324	-
Investment income, net of fees	626,000	646,100	680,472	34,372
Total revenues	2,569,060	2,651,474	2,730,668	79,194
<b>EXPENDITURES</b>				
Current function:				
Highways and streets	119,917	54,250	46,661	7,589
Excess of revenues over expenditures	2,449,143	2,597,224	2,684,007	86,783
<b>OTHER FINANCING USES</b>				
Transfers out	(1,348,963)	(1,695,827)	(876,871)	818,956
Net change in fund balance	\$ 1,100,180	\$ 901,397	1,807,136	\$ 905,739
<b>FUND BALANCE</b>				
Beginning of year			14,853,142	
End of year			\$ 16,660,278	

**CITY OF CENTRAL, LOUISIANA  
MOVEBR FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2025

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - positive (negative)</b>
<b>REVENUES</b>				
Sales and use taxes	\$ 1,940,570	\$ 1,996,600	\$ 2,047,459	\$ 50,859
Intergovernmental grants and contributions	-	-	324	324
Investment income, net of fees	<u>24,750</u>	<u>43,450</u>	<u>62,193</u>	<u>18,743</u>
Total revenues	<u>1,965,320</u>	<u>2,040,050</u>	<u>2,109,976</u>	<u>69,926</u>
<b>EXPENDITURES</b>				
Current function:				
Highways and streets	<u>19,325</u>	<u>12,500</u>	<u>12,626</u>	<u>(126)</u>
Net change in fund balance	<u>\$ 1,945,995</u>	<u>\$ 2,027,550</u>	<u>2,097,350</u>	<u>\$ 69,800</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>1,768,656</u>	
End of year			<u>\$ 3,866,006</u>	

**CITY OF CENTRAL, LOUISIANA**  
**SCHEDULE OF PROPORTIONATE SHARE**  
**OF NET PENSION LIABILITY**  
**LAST TEN FISCAL YEARS (1)**

**Municipal Employees' Retirement System (MERS):**

<b>As of the plan year ended (1):</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Employer's Proportion of the Net Pension Liability (Asset)	0.1133%	0.0780%	0.0287%	0.0374%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 318,733	\$ 285,207	\$ 119,185	\$ 103,950
Employer's Covered-Employee Payroll	231,150	158,275	55,000	72,730
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	138%	180%	217%	143%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79%	72%	79%	78%

<b>As of the plan year ended (1):</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Employer's Proportion of the Net Pension Liability (Asset)	0.0422%	0.0422%	0.0448%	0.0447%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 182,655	\$ 176,448	\$ 185,469	\$ 186,970
Employer's Covered-Employee Payroll	81,025	78,230	81,776	81,164
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	225%	226%	227%	230%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65%	65%	64%	63%

<b>As of the plan year ended (1):</b>	<b>2017</b>	<b>2016</b>
Employer's Proportion of the Net Pension Liability (Asset)	0.0491%	0.0822%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 201,251	\$ 293,692
Employer's Covered-Employee Payroll	87,712	136,065
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	229%	216%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63%	66%

**Municipal Police Employees' Retirement System (MPERS):**

<b>As of the plan year ended (1):</b>	<b>2025</b>
Employer's Proportion of the Net Pension Liability (Asset)	0.0009%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 8,534
Employer's Covered-Employee Payroll	4,967
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	172%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76%

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

(2) The amounts presented have a measurement date of MERS's and MPERS's prior June 30th fiscal year end.

**CITY OF CENTRAL, LOUISIANA**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS (1)**

**Municipal Employees' Retirement System (MERS):**

<u>As of the fiscal year ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
6/30/2025	\$ 78,659	\$ 78,659	\$ -	\$ 281,384	27.95%
6/30/2024	68,189	68,189	-	231,150	29.50%
6/30/2023	46,691	46,691	-	158,275	29.50%
6/30/2022	16,225	16,225	-	55,000	29.50%
6/30/2021	21,455	21,455	-	72,730	29.50%
6/30/2020	22,507	22,507	-	81,025	27.78%
6/30/2019	20,257	20,257	-	78,230	25.89%
6/30/2018	20,240	20,240	-	81,776	24.75%
6/30/2017	18,464	18,464	-	81,164	22.75%
6/30/2016	17,323	17,323	-	87,712	19.75%

**Municipal Police Employees' Retirement System (MPERS):**

<u>As of the fiscal year ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
6/30/2025	\$ 21,022	\$ 21,022	\$ -	\$ 58,991	35.64%

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



## CITY OF CENTRAL, LOUISIANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2025

**NOTE 1 - BUDGETS****Budget Policy and Budgetary Accounting**

A proposed budget is prepared and submitted by the Mayor to the City Council prior to the beginning of each fiscal period. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the adoption of the budget.

The annual operating budget is prepared on the modified accrual basis of accounting. At the end of the fiscal period, unexpended appropriations automatically lapse. Budget amendments are approved by the City Council and are included in the financial statements.

In connection with budget preparation, a portion of the unassigned fund balance of an individual fund may be designated for expenditures in the subsequent period. Such designations represent the extent to which the fund balance is used to balance the subsequent period's operating budget of that fund, as reflected in the legally adopted budget.

**Basis of Accounting**

All of the City's funds' budgets are prepared on the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended June 30, 2025. The City's basis of budgetary accounting follows generally accepted accounting principles.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY****Expenditures Exceeding Appropriations**

Excess of expenditures over appropriations in functions within the fund occurred as follows:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess over Final Budget</u>
<b>General Fund:</b>				
Current function:				
Public safety - police	\$ 1,439,513	\$ 1,189,146	\$ 1,221,750	\$ (32,604)

# NOTE 3 - NET PENSION LIABILITY

Changes in benefit terms and assumptions are as follows:

## MERS

Measurement Date	Discount Rates		Inflation Rates		Changes of Benefit Terms	
	Rate	Change	Rate	Change	Years	Change
6/30/2024	6.85%	0.00%	2.50%	0.00%	3	-
6/30/2023	6.85%	0.00%	2.50%	0.00%	3	-
6/30/2022	6.85%	0.00%	2.50%	0.00%	3	-
6/30/2021	6.85%	-0.10%	2.50%	0.00%	3	-
6/30/2020	6.95%	-0.05%	2.50%	0.00%	3	-
6/30/2019	7.00%	-0.27%	2.50%	-0.10%	3	-
6/30/2018	7.28%	-0.13%	2.60%	-0.18%	3	-
6/30/2017	7.40%	-0.10%	2.78%	-0.10%	3	-
6/30/2016	7.50%	0.00%	2.88%	0.00%	3	-
6/30/2015	7.50%		2.88%		3	

Measurement Date	Salary Increases			
	1 - 2 years	Change	2+ years	Change
6/30/2024	9.00%	-2.600%	4.40%	0.100%

Measurement Date	Salary Increases			
	1 - 4 years	Change	4+ years	Change
6/30/2023	6.40%	0.000%	4.50%	0.000%
6/30/2022	6.40%	0.000%	4.50%	0.000%
6/30/2021	6.40%	0.000%	4.50%	0.000%
6/30/2020	6.40%	0.000%	4.50%	0.000%
6/30/2019	6.40%	-1.400%	4.50%	0.500%
6/30/2018	5.00%	0.000%	5.00%	0.000%
6/30/2017	5.00%	0.000%	5.00%	0.000%
6/30/2016	5.00%	0.000%	5.00%	0.000%
6/30/2015	5.00%		5.00%	

## MPERS

Measurement Date	Discount Rates		Inflation Rates		Changes of Benefit Terms	
	Rate	Change	Rate	Change	Years	Change
6/30/2024	6.75%	0.00%	2.50%	0.00%	4	-
6/30/2023	6.75%	0.00%	2.50%	0.00%	4	-
6/30/2022	6.75%	0.00%	2.50%	0.00%	4	-
6/30/2021	6.75%	-0.20%	2.50%	0.00%	4	-
6/30/2020	6.95%	-0.17%	2.50%	0.00%	4	-
6/30/2019	7.13%	-0.08%	2.50%	-0.10%	4	-
6/30/2018	7.20%	-0.13%	2.60%	-0.10%	4	-
6/30/2017	7.33%	-0.18%	2.70%	-0.18%	4	-
6/30/2016	7.50%	0.00%	2.88%	0.00%	4	-
6/30/2015	7.50%		2.88%		4	

Measurement Date	Salary Increases			
	1 - 2 years	Change	2+ years	Change
6/30/2024	12.30%	0.000%	4.70%	0.000%
6/30/2023	12.30%	0.000%	4.70%	0.000%
6/30/2022	12.30%	0.000%	4.70%	0.000%
6/30/2021	12.30%	0.000%	4.70%	0.000%
6/30/2020	12.30%	2.550%	4.70%	-0.050%
6/30/2019	9.75%	0.000%	4.75%	0.000%
6/30/2018	9.75%	0.000%	4.75%	0.000%
6/30/2017	9.75%	0.000%	4.75%	0.000%
6/30/2016	9.75%	0.000%	4.75%	0.000%
6/30/2015	9.75%		4.75%	

## **SUPPLEMENTARY INFORMATION**

**CITY OF CENTRAL, LOUISIANA**  
**CAPITAL OUTLAY AND IMPROVEMENT FUND - MAJOR FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2025

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - positive (negative)</b>
<b>REVENUES</b>				
Intergovernmental grants and contributions	\$ 6,104,040	\$ 1,752,970	\$ 2,312,794	\$ 559,824
Investment income, net of fees	402,000	322,000	303,317	(18,683)
Total revenues	<u>6,506,040</u>	<u>2,074,970</u>	<u>2,616,111</u>	<u>541,141</u>
<b>EXPENDITURES</b>				
Current function:				
Public works	3,475,000	3,437,000	3,399,505	37,495
Capital outlay	<u>14,986,413</u>	<u>11,648,409</u>	<u>11,416,142</u>	<u>232,267</u>
Total expenditures	<u>18,461,413</u>	<u>15,085,409</u>	<u>14,815,647</u>	<u>269,762</u>
Deficiency of revenues over expenditures	(11,955,373)	(13,010,439)	(12,199,536)	810,903
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>8,848,449</u>	<u>9,994,808</u>	<u>6,165,616</u>	<u>(3,829,192)</u>
Net change in fund balance	<u>\$ (3,106,924)</u>	<u>\$ (3,015,631)</u>	<u>(6,033,920)</u>	<u>\$ (3,018,289)</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>7,856,014</u>	
End of year			<u>\$ 1,822,094</u>	

**CITY OF CENTRAL, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEAD**

For the year ended June 30, 2025

**Agency Head:** Wade Evans, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 88,434
Benefits - retirement	<u>24,762</u>
	<u>\$ 113,196</u>

## **SINGLE AUDIT SECTION**

## CITY OF CENTRAL, LOUISIANA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
<b>U.S. Department of Homeland Security/FEMA</b>			
Passed through State of Louisiana Governor's Office of Homeland Security and Emergency Preparedness:			
Public Assistance Disaster Grant Program - 2016 Great Flood Alternate Project	97.036		\$ 314,294
Hazard Mitigation Grant Program - Culvert Project	97.039	FEMA-4277-DR-LA	239,733
Total U.S. Department of Homeland Security/FEMA			554,027
<b>U.S. Department of Transportation</b>			
Passed through the Louisiana Department of Transportation and Development/Highway Planning and Construction Cluster			
Highway Planning and Construction - Planchet Road Project	20.205	H015142	966,106
* Total Highway and Planning and Construction Cluster			966,106
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,520,133</b>

\* Major Program

## **CITY OF CENTRAL, LOUISIANA**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2025

#### **NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity for the City under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed through other agencies.

#### **NOTE 2 - BASIS OF ACCOUNTING**

The City's Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended June 30, 2025. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

During fiscal year 2025, the City became aware of a grant amendment approved in April 2024 that retroactively increased the federal reimbursement rate from 75% to 100% for a culvert project funded by the United States Department of Homeland Security/FEMA and passed through the State of Louisiana Governor's Office of Homeland Security and Emergency Preparedness. The related additional federal expenditures from prior years were determined to be immaterial to the fiscal year 2024 Schedule and have been included in the fiscal year 2025 Schedule.

#### **NOTE 3 - INDIRECT COST RATE**

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



#### **NOTE 4 - RELATIONSHIP TO THE FEDERAL REPORTS**

Amounts reported in the Schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

#### **NOTE 5 - RELATIONSHIP TO THE FINANCIAL STATEMENTS**

Amounts reported on the Schedule were prepared from the same accounting records as were used to prepare the financial statements. Differences between amounts reported on the Schedule and the financial statements may exist due to recognition requirements as established by program regulations.

In the current fiscal year, the City recognized in its financial statements \$1,128,728 in federal revenues related to Planchet Road Expenditures and Culvert Upgrades expenditures paid during the fiscal year. However, with respect to the Federal Emergency Management Agency (FEMA) assistance a non-Federal entity must record expenditures on the Schedule when: (1) FEMA has approved the non-Federal entity's project worksheet (PW), and (2) the non-Federal entity has incurred the eligible expenditures. The project worksheet in the amount of \$94,535 was approved for the culvert project and therefore these expenditures are recorded in the Schedule.

#### **NOTE 6 - NONCASH ASSISTANCE**

The City did not receive any federal noncash assistance for the fiscal year ended June 30, 2025.

**OTHER INDEPENDENT AUDITORS' REPORTS**

**CITY OF CENTRAL, LOUISIANA**

For the year ended June 30, 2025

**INDEPENDENT AUDITORS' 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 Mayor and  
Members of the City Council,  
City of Central, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, 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 and each major fund of the **CITY OF CENTRAL, LOUISIANA (CITY)** as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 19, 2025.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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* and *Louisiana Governmental Audit Guide*.

## **City's Response to Findings**

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

## **Purpose of this Report**

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

This report is intended solely for the information and use of the City Council and management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

*Faulk & Winkler, LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
December 19, 2025

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

The Honorable Mayor and  
Members of the City Council  
City of Central, Louisiana

***Opinion on the Major Federal Program***

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

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

***Basis for Opinion on the 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **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 Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. During our audit, we identified a deficiency in internal control over compliance, described in the accompanying schedule of findings and responses as item 2025-001, that we consider to be a significant deficiency.

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.

This report is intended solely for the information and use of the City Council and management, the Louisiana Legislative Auditor, and federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

*Faulk & Winkler, LLC*

Certified Public Accountants

Baton Rouge, Louisiana  
December 19, 2025

**CITY OF CENTRAL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RESPONSES**

For the year ended June 30, 2025

**1) Summary of Auditors' Results:**

- A) The type of report issued on the financial statements: **Unmodified opinion.**
- B) Significant deficiency in internal control were disclosed by the audit of financial statements: **None reported.**

Material weaknesses: **None.**

- C) Noncompliance that is material to the financial statements: **None.**

- D) Significant deficiencies in internal control over major programs: **2025-001.**

Material weaknesses: **None.**

- E) The type of report issued on compliance for major programs: **Unmodified opinion.**

- F) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): **2025-001.**

- G) Identification of Major Programs:

**U.S. Department of Transportation**

Louisiana Department of Transportation and Development

- 1) Highway Planning and Construction Cluster

Assistance listing #20.205

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

- I) Auditee qualified as a low-risk auditee: **No.**

- 2)** Findings relating to the financial statements reported in accordance with *Government Auditing Standards*: **None.**

- 3)** Findings relating to compliance reported in accordance with *Government Auditing Standards* and *Louisiana Governmental Audit Guide*: **2025-001.**



#### **4) FINDINGS – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

##### **2025-001 Documentation of Internal Controls over Federal Awards**

**Year Finding Originated:** 2025

**Criteria:** Per 2 CFR § 200.303(a), the non-Federal entity must establish, document, and maintain effective internal control over Federal awards that provides reasonable assurance that the entity is managing the award in compliance with Federal statutes, regulations, and the terms and conditions of the awards.

**Condition:** Although the City maintains formal policies and procedures which document internal controls, the policies are not up to date with current Federal requirements and are not prescribed as required by the Uniform Guidance. Further, the policies do not cover all aspects of compliance pertaining to the federal programs the City facilitates.

**Cause:** City management was not aware of all documentation requirements under Uniform Guidance for internal controls over federal programs.

**Effect:** The City's failure to document internal control procedures related to federal programs increases the risk of noncompliance with federal requirements, misstatement of financial reports, and potential misuse of federal funds.

**Recommendation:** We recommend that the City enhance and document internal controls over federal awards in accordance with 2 CFR § 200.303(a).

**Views of responsible officials:** See management's response to finding on Page 72.

#### **5) FINDINGS – NONCOMPLIANCE**

**None.**

**CITY OF CENTRAL, LOUISIANA**

**SUMMARY OF PRIOR YEAR FINDINGS AND RESPONSES**

For the year ended June 30, 2025

**2024-001 Misappropriation of Assets**

This finding is considered resolved.

**2024-002 Advance of Public Funds**

This finding is considered resolved.

**2024-003 Internal Control over Payroll**

This finding is considered resolved.

Wade Evans  
Mayor



13421 Hooper Rd, Ste. 8  
Central, LA 70818  
225-261-5988 (office)  
225-246-8540 (fax)  
www.centralgov.com

December 16, 2025

Faulk & Winkler, LLC  
Certified Public Accountants  
6811 Jefferson Highway  
Baton Rouge, LA 70806

Re: Documentation of Internal Controls over Federal Awards

To whom it may concern:

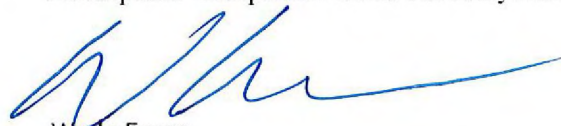
We have carefully reviewed the finding of Documentation of Internal Controls over Federal Awards. The City of Central concurs with the finding.

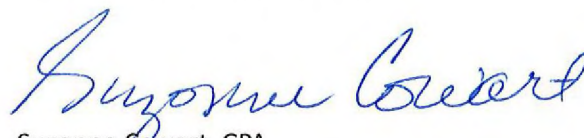
City management recognizes the importance of maintaining current, comprehensive, and properly documented internal controls over federal awards in accordance with 2 CFR part 200.303(a). The City acknowledges that while formal policies and procedures existed, they were not fully updated to reflect current Uniform Guidance requirements and did not sufficiently address all applicable compliance areas for the federal programs administered.

The City will undertake a comprehensive review of its existing policies and procedures. Management will update and formalize internal control documentation over federal awards to ensure alignment with Uniform Guidance requirements and to address all relevant compliance areas applicable to the City's federal programs. This process will include identifying key control activities, documenting responsibilities, and ensuring controls are properly designed and implemented.

Additionally, management will increase awareness of Uniform Guidance requirements and internal controls documentation standards by providing resources to applicable staff. Management will continue to periodically review internal control documentation to ensure continued compliance as federal requirements change.

Responsible Officials: Mayor Wade Evans; Suzonne Cowart, CPA; Michele Lobianco  
Anticipated Completion Date: February 2026

  
Wade Evans  
Mayor, City of Central

  
Suzonne Cowart, CPA  
Finance Director

  
Michele LoBianco  
Financial Services Manager

**Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures**

**CITY OF CENTRAL, LOUISIANA**

For the year ended June 30, 2025

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable Mayor and  
Members of the City Council  
City of Central, Louisiana

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

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

The procedures and schedule of associated findings are as follows:

***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 that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, 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 (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased security.

**CITY OF CENTRAL, LOUISIANA**  
**SCHEDULE OF ASSOCIATED FINDINGS**

For the year ended June 30, 2025

***Associated Findings:***

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No associated findings were found as a result of applying the procedures listed above.

We were engaged by **CITY OF CENTRAL, 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 **CITY OF CENTRAL, 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.

Certified Public Accountants

Baton Rouge, Louisiana  
September 17, 2025