

CITY OF DEQUINCY, LOUISIANA

Financial Report

Year Ended September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

The prior year comparative information on these statements has been derived from the City of Dequincy's 2024 financial statements, which was audited by other auditors and subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in the opinion of other auditors, was fairly presented, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2026, on our consideration of the City of Dequincy, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dequincy, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
March 25, 2026

BASIC FINANCIAL STATEMENTS

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

CITY OF DEQUINCY, LOUISIANA

Statement of Net Position
September 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing demand deposits	\$ 4,820,122	\$ 2,341,751	\$ 7,161,873
Investments	866,820	372,506	1,239,326
Receivables, net	95,324	318,381	413,705
Due from other governmental units	169,769	65,161	234,930
Prepaid items	70,733	35,691	106,424
Total current assets	<u>6,022,768</u>	<u>3,133,490</u>	<u>9,156,258</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing demand deposits	103,168	952,351	1,055,519
Investments	-	103,618	103,618
Capital assets, net	8,681,991	3,650,325	12,332,316
Right-of-use assets, net	195,300	21,259	216,559
Total noncurrent assets	<u>8,980,459</u>	<u>4,727,553</u>	<u>13,708,012</u>
Total assets	<u>15,003,227</u>	<u>7,861,043</u>	<u>22,864,270</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>152,951</u>	<u>77,599</u>	<u>230,550</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	245,913	84,235	330,148
Due to other governments	-	282,730	282,730
Customers deposits payable	-	137,209	137,209
Right-of-use lease liability	72,594	7,921	80,515
Bonds payable	27,574	121,170	148,744
Total current liabilities	<u>346,081</u>	<u>633,265</u>	<u>979,346</u>
Noncurrent liabilities:			
Compensated absences	85,826	71,917	157,743
Right-of-use lease liability	139,237	15,181	154,418
Bonds payable	222,380	1,324,214	1,546,594
Net pension liability	1,190,327	690,085	1,880,412
Total noncurrent liabilities	<u>1,637,770</u>	<u>2,101,397</u>	<u>3,739,167</u>
Total liabilities	<u>1,983,851</u>	<u>2,734,662</u>	<u>4,718,513</u>
DEFERRED INFLOWS OF RESOURCES	<u>181,393</u>	<u>58,502</u>	<u>239,895</u>
NET POSITION			
Net investment in capital assets	8,877,291	2,226,200	11,103,491
Restricted for public safety	127,309	-	127,309
Restricted for street maintenance	1,723,084	-	1,723,084
Restricted for debt service	103,168	258,379	361,547
Restricted for industrial airpark	13,267	-	13,267
Unrestricted	2,146,815	2,660,899	4,807,714
Total net position	<u>\$ 12,990,934</u>	<u>\$ 5,145,478</u>	<u>\$ 18,136,412</u>

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

CITY OF DEQUINCY, LOUISIANA

Statement of Activities
For the Year Ended September 30, 2025

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 601,213	\$ -	\$ -	\$ -	\$ (601,213)	\$ -	\$ (601,213)
Public safety	2,046,179	34,067	-	-	(2,012,112)	-	(2,012,112)
Highways and streets	767,462	-	-	-	(767,462)	-	(767,462)
Industrial airpark	663,520	90,059	-	-	(573,461)	-	(573,461)
Culture and recreation	5,765	-	-	-	(5,765)	-	(5,765)
Total governmental activities	<u>4,084,139</u>	<u>124,126</u>	<u>-</u>	<u>-</u>	<u>(3,960,013)</u>	<u>-</u>	<u>(3,960,013)</u>
Business-type activities:							
Gas services	734,479	835,068	-	-	-	100,589	100,589
Sewer services	1,171,824	652,568	-	-	-	(519,256)	(519,256)
Garbage services	337,443	363,483	-	-	-	26,040	26,040
Total business-type activities	<u>2,243,747</u>	<u>1,851,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(392,628)</u>	<u>(392,628)</u>
Total	<u>\$ 6,327,886</u>	<u>\$ 1,975,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,960,013)</u>	<u>(392,628)</u>	<u>(4,352,641)</u>
General revenues (expenses):							
Taxes -							
Property taxes, levied for general purposes					131,414	-	131,414
Sales and use taxes, levied for general purposes					1,570,175	713,025	2,283,200
Franchise taxes					208,749	-	208,749
Fines and forfeitures					343,490	-	343,490
Intergovernmental					640,256	-	640,256
State sources					440,356	-	440,356
Non-employer pension contribution					49,410	25,544	74,954
Interest and investment earnings (loss)					116,688	1,749	118,437
Gain (loss) on disposal of capital assets					(0)	-	-
Miscellaneous					83,161	73,819	156,980
Transfers					213,740	(213,740)	-
Total general revenues and transfers					<u>3,797,439</u>	<u>600,397</u>	<u>4,397,836</u>
Change in net position					<u>(162,574)</u>	<u>207,769</u>	<u>45,195</u>
Net position - October 1, 2024					<u>13,153,508</u>	<u>4,937,709</u>	<u>18,091,217</u>
Net position - September 30, 2025					<u>\$ 12,990,934</u>	<u>\$ 5,145,478</u>	<u>\$ 18,136,412</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

MAJOR FUNDS

General Fund

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

Special Revenue Funds

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

Public Safety Sales Tax Fund -

The Public Safety Fund accounts for the 1/2% sales tax dedicated to fire and police and related expenses.

Street Sales Tax Fund -

The Sales Tax Fund accounts for the 1% sales tax dedicated to street maintenance and related expenses.

Industrial Airpark Fund -

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

Enterprise Fund

Utility Fund -

To account for the provision of gas, sewerage, and garbage services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF DEQUINCY, LOUISIANA

Balance Sheets
Governmental Funds
September 30, 2025

	General	Public Safety Special Revenue	Street Special Revenue	Industrial Airpark Special Revenue	Non Major Governmental Fund	Total
ASSETS						
Cash and interest-bearing demand deposits	\$ 2,063,910	\$ 65,850	\$ 1,675,948	\$ 1,014,414	\$ -	\$ 4,820,122
Investments	711,334	-	-	155,486	-	866,820
Restricted cash and interest-bearing deposits	-	-	-	-	103,168	103,168
Receivables:						
Other	63,770	31,321	-	233	-	95,324
Due from other governmental units	47,828	32,580	65,161	24,200	-	169,769
Prepaid items	3,213	44,632	9,621	13,267	-	70,733
Total assets	<u>2,890,055</u>	<u>174,383</u>	<u>1,750,730</u>	<u>1,207,600</u>	<u>103,168</u>	<u>6,125,936</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	22,293	26,990	23,489	102,224	-	174,996
Accrued liabilities	45,498	20,084	4,157	1,178	-	70,917
Total liabilities	<u>67,791</u>	<u>47,074</u>	<u>27,646</u>	<u>103,402</u>	<u>-</u>	<u>245,913</u>
Fund balances -						
Nonspendable (prepaid items)	3,213	44,632	9,621	13,267	-	70,733
Restricted:						
Public safety	-	82,677	-	-	-	82,677
Street maintenance	-	-	1,713,463	-	-	1,713,463
Debt service	-	-	-	-	103,168	103,168
Unassigned	2,819,051	-	-	1,090,931	-	3,909,982
Total fund balances	<u>2,822,264</u>	<u>127,309</u>	<u>1,723,084</u>	<u>1,104,198</u>	<u>103,168</u>	<u>5,880,023</u>
Total liabilities and fund balances	<u>\$ 2,890,055</u>	<u>\$ 174,383</u>	<u>\$ 1,750,730</u>	<u>\$ 1,207,600</u>	<u>\$ 103,168</u>	<u>\$ 6,125,936</u>

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

CITY OF DEQUINCY, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2025

Total fund balances for governmental funds		\$ 5,880,023
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Capital assets		8,681,991
Intangible right-of-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Right-of-use assets		195,300
The deferred outflows of expenditures for the municipal and police employees retirement systems are not a use of current resources, and therefore, are not reported in the funds.		
		152,951
Long-term liabilities of governmental activities are not payable from current resources and, therefore, not reported in the funds. These liabilities consist of:		
Bonds payable	\$ (249,954)	
Right-of-use lease liabilities	(211,831)	
Compensated absences payable	(85,826)	
Net pension liability	<u>(1,190,327)</u>	(1,737,938)
The deferred inflows of contributions for the municipal and police employees retirement systems are not available resources, and therefore, are not reported in the funds.		
		<u>(181,393)</u>
Total net position of governmental activities		<u>\$ 12,990,934</u>

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

CITY OF DEQUINCY, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended September 30, 2025

	General	Public Safety Special Revenue	Street Special Revenue	Industrial Airpark Special Revenue	Non Major Governmental Funds	Total
Revenues:						
Taxes	\$ 332,646	\$ 356,512	\$ 712,431	\$ 300,000	\$ -	\$ 1,701,589
Licenses and permits	208,749	-	-	-	-	208,749
Fines and forfeitures	-	343,490	-	-	-	343,490
Charges for services	-	34,067	-	90,059	-	124,126
Intergovernmental	485,788	329,232	179,305	86,287	-	1,080,612
Miscellaneous	130,385	177	31,665	41,602	65	203,894
Total revenues	<u>1,157,568</u>	<u>1,063,478</u>	<u>923,401</u>	<u>517,948</u>	<u>65</u>	<u>3,662,460</u>
Expenditures:						
Current -						
General government	506,373	-	-	-	-	506,373
Public safety	-	1,932,112	-	-	-	1,932,112
Highways and streets	-	-	599,848	-	-	599,848
Industrial airpark	-	-	-	325,971	-	325,971
Culture and recreation	5,765	-	-	-	-	5,765
Debt service	-	-	-	-	38,254	38,254
Capital outlay	269,655	54,935	135,850	119,940	-	580,380
Total expenditures	<u>781,793</u>	<u>1,987,047</u>	<u>735,698</u>	<u>445,911</u>	<u>38,254</u>	<u>3,988,703</u>
Excess (deficiency) of revenues over expenditures	<u>375,775</u>	<u>(923,569)</u>	<u>187,703</u>	<u>72,037</u>	<u>(38,189)</u>	<u>(326,243)</u>
Other financing sources (uses):						
Other sources	-	49	-	(4,091)	-	(4,042)
Transfers in	353,582	694,034	176,587	-	44,949	1,269,152
Transfers out	(1,069,502)	-	-	14,090	-	(1,055,412)
Total other financing sources (uses)	<u>(715,920)</u>	<u>694,083</u>	<u>176,587</u>	<u>9,999</u>	<u>44,949</u>	<u>209,698</u>
Net changes in fund balances	<u>(340,145)</u>	<u>(229,486)</u>	<u>364,290</u>	<u>82,036</u>	<u>6,760</u>	<u>(116,545)</u>
Fund balances, beginning	<u>3,162,409</u>	<u>356,795</u>	<u>1,358,794</u>	<u>1,022,162</u>	<u>96,408</u>	<u>5,996,568</u>
Fund balances, ending	<u>\$ 2,822,264</u>	<u>\$ 127,309</u>	<u>\$ 1,723,084</u>	<u>\$ 1,104,198</u>	<u>\$ 103,168</u>	<u>\$ 5,880,023</u>

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

CITY OF DEQUINCY, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended September 30, 2025

Total net changes in fund balance for the year ended September 30, 2025 per statement of revenues, expenditures and changes in fund balances		\$ (116,545)
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 580,380	
Depreciation expense	<u>(865,346)</u>	(284,966)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal on long-term liabilities is an expenditure in governmental funds, but is a reduction of long-term liabilities in the Statement of Net Position:		
Principal payments		92,866
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	(15,077)	
Pension benefit	<u>111,738</u>	96,661
Non-employer's contributions to the municipal employees and the police employees pension plans		<u>49,410</u>
Total net changes in net position for the year ended September 30, 2023 per statement of activities		<u>\$ (162,574)</u>

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

CITY OF DEQUINCY, LOUISIANA

Statement of Net Position
Proprietary Funds
September 30, 2025

	Utility Fund
ASSETS	
Current assets:	
Cash and interest-bearing demand deposits	\$ 2,341,751
Investments	372,506
Accounts receivable, net	318,381
Prepaid items	35,691
Due from other governmental agencies	<u>65,161</u>
Total current assets	<u>3,133,490</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing demand deposits	952,351
Investments	103,618
Capital assets -	
Land and construction in progress	348,207
Capital assets, net	3,302,118
Right-of-use assets	<u>21,259</u>
Total noncurrent assets	<u>4,727,553</u>
Total assets	<u>7,861,043</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>77,599</u>
LIABILITIES	
Current liabilities:	
Accounts payable	64,382
Accrued liabilities	19,853
Due to other governmental agencies	282,730
Customer deposits	137,209
Right-of-use lease liability	7,921
Revenue bonds payable-current portion	<u>121,170</u>
Total current liabilities	<u>633,264</u>
Noncurrent liabilities:	
Compensated absences	71,917
Right-of-use lease liability	15,181
Revenue bonds payable	1,324,214
Net pension liability	<u>690,085</u>
Total noncurrent liabilities	<u>2,101,397</u>
Total liabilities	<u>2,734,661</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>58,502</u>
NET POSITION	
Net investment in capital assets	2,226,200
Restricted for debt service	258,379
Unrestricted	<u>2,660,899</u>
Total net position	<u>\$ 5,145,478</u>

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

CITY OF DEQUINCY, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
Proprietary Fund
For the Year Ended September 30, 2025

	<u>Utility Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 835,068
Sewer service charges	652,568
Garbage services	363,483
Permits, reconnections and penalties	<u>73,819</u>
Total operating revenues	<u>1,924,938</u>
Operating expenses:	
Gas expenses	734,479
Sewer expenses	1,171,824
Garbage expenses	<u>337,443</u>
Total operating expenses	<u>2,243,747</u>
Operating income (loss)	<u>(318,809)</u>
Nonoperating revenues (expenses):	
Non-employer pension contribution	25,544
Taxes	713,025
Interest income	64,765
Earnings (loss) on investments	<u>(63,016)</u>
Total nonoperating revenues (expenses)	<u>740,318</u>
Income before contributions and transfers	<u>421,509</u>
Other financing sources (uses):	
Transfers from other funds	179,771
Transfers to other funds	<u>(393,511)</u>
Total other financing sources (uses)	<u>(213,740)</u>
Change in net position	207,769
Net position, beginning	<u>4,937,709</u>
Net position, ending	<u>\$5,145,478</u>

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

CITY OF DEQUINCY, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended September 30, 2025

	<u>Utility Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,864,863
Payments to suppliers	(1,113,303)
Payments to employees	<u>(779,928)</u>
Net cash provided by operating activities	<u>(28,368)</u>
Cash flows from noncapital financing activities:	
Cash paid to other funds	864,301
Transfers to other funds	<u>(213,740)</u>
Net cash provided by noncapital financing activities	<u>650,561</u>
Cash flows from capital and related financing activities:	
Principal paid on notes and revenue bonds	(116,170)
Lease liability payable	(7,230)
Interest and fiscal charges paid on notes and revenue bonds	1,749
Sales taxes	713,025
Acquisition of property, plant and equipment	<u>(265,600)</u>
Net cash used by capital and related financing activities	<u>325,774</u>
Cash flows from investing activities:	
Maturities of interest-bearing time deposits	463,537
Purchase of interest-bearing time deposits	(476,124)
Interest on interest-bearing deposits	<u>(64,765)</u>
Net cash used by investing activities	<u>(77,352)</u>
Net decrease in cash and cash equivalents	870,615
Cash and cash equivalents, beginning of period	<u>2,423,487</u>
Cash and cash equivalents, end of period	<u><u>\$ 3,294,102</u></u>

(continued)

CITY OF DEQUINCY, LOUISIANA

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended September 30, 2025

	<u>Utility Fund</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income/(loss)	\$ (318,809)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	386,270
Pension expense	(14,429)
Changes in operating assets and liabilities:	
(Increase)/decrease in accounts receivable	(147,290)
(Increase)/decrease in prepaid items	12,183
(Increase)/decrease in due from governmental agencies	43,906
Increase/(decrease) in accounts payable	(25,477)
Increase/(decrease) in accrued liabilities	(521)
Increase/(decrease) in customer deposits	5,626
Increase/(decrease) in compensated absence	<u>30,173</u>
Total adjustments	<u>290,441</u>
Net cash provided by operating activities	<u>\$ (28,368)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 1,489,150
Cash - restricted	<u>934,337</u>
Total cash and cash equivalents	<u>2,423,487</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	2,341,751
Cash - restricted	<u>952,351</u>
Total cash and cash equivalents	<u>3,294,102</u>
Net increase/(decrease)	<u>\$ -870,615</u>

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

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

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

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

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

The City reports the following major governmental funds:

Governmental Fund -

General Fund

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

Special Revenue Funds -

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Public Safety Fund, the Sales Tax Fund, and the Industrial Airpark Sales Tax Fund are considered special revenue funds. The Public Safety Fund accounts for the 1/2% sales tax dedicated to fire and police and related expenses. The Sales Tax Fund accounts for the 1% sales tax dedicated to street maintenance and related expenses. The Industrial Airpark Fund accounts for the provision of airpark and industrial development services supported by ad valorem taxes. These funds are considered major funds.

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proprietary Funds –

Enterprise Funds

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

CITY OF DEQUINCY, LOUISIANA

Notes to Basic Financial Statements (Continued)

Basis of Accounting

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

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

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

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

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

Cash, interest-bearing deposits, and investments

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

Interfund receivables and payables

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

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Long-term debt

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures of revenues, respectively. At September 30, 2025, the City's deferred outflows and inflows of resources are attributable to its pension plans.

Compensated Absences

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

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

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

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

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

As of September 30, 2025, employees of the City have accumulated and vested \$157,743 of compensated absence benefits. The estimated liabilities include required salary-related payments.

Equity Classifications

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

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

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

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the City’s Mayor and City Council, which is the highest level of decision-making authority for the City.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City’s adopted policy, only the Mayor and City Council may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

Interfund Transfers

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

F. Revenue Restrictions

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

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

G. Use of Estimates

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

H. Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension, and pension expense has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Non-employer contributions are recognized as revenues in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when due.

(2) Ad Valorem Taxes

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

For the year ended September 30, 2025, taxes of 5.930 mills were levied on property with assessed valuations totaling \$20,328,690 and total taxes levied were \$120,550. There are no taxes receivable amounts at September 30, 2025.

On July 9, 2012, the City entered into an agreement with the Chennault International Airport Authority (Authority) for the purpose of encouraging and stimulating economic development throughout Calcasieu Parish. As part of the agreement, the Authority transferred \$300,000 of ad valorem taxes levied pursuant to a 5.45 mill tax renewal approved by voters of Calcasieu Parish for the benefit of the Dequincy Airport.

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(3) Sales and Use Tax

Proceeds of the 1% sales and use tax levied by the City effective November 1966 (2025 collections \$712,431) issued in perpetuity are dedicated as follows:

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

Proceeds of an additional 1% sales and use tax levied by the City, effective January 1, 2011 (2025 collections \$713,025) and expires in 2036 are dedicated as follows:

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

Proceeds of the ½% sales and use tax levied by the City effective October 1, 2012 (2025 collections \$356,512) and expires in 2027 are dedicated as follows:

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

(4) Cash and Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At September 30, 2025, the City had cash and interest-bearing deposits (book balances) totaling \$8,217,392 as follows:

Interest-bearing deposits	\$ 5,937,323
Money market funds	2,172,088
Time deposits	<u>107,981</u>
Total	<u>\$ 8,217,392</u>

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

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Deposit balances (bank balances) at September 30, 2025 were secured as follows:

Bank balances	<u>\$ 8,501,226</u>
Federal deposit insurance (FDIC)	706,843
Securities Investor Protection (SIPC)	229,978
Pledged securities	<u>7,564,405</u>
Total FDIC insurance and pledged securities	<u>\$ 8,501,226</u>

Deposits in the amount of \$7,564,405 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand. The City does not have a policy for custodial credit risk.

(5) Investments

At September 30, 2025, the City had the following investments and maturities:

	% of Portfolio	Fair Value	Investment Maturities			
			Less than 1 Year	5-10 Years	10-15 Years	15-20 Years
U.S. agency securities	19%	\$ 259,104	\$ 153,138	\$ 31,761	\$ 20,836	53,369
LAMP	81%	<u>1,083,840</u>	<u>1,083,840</u>	-	-	-
	<u>100%</u>	<u>\$ 1,342,944</u>	<u>\$ 1,236,978</u>	<u>\$ 31,761</u>	<u>\$ 20,836</u>	<u>\$ 53,369</u>

Custodial Credit Risk – In the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's requires all investments to be kept in the City's name and all ownership to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the City. Accordingly, the City had no custodial credit risk related to its investments at September 30, 2025.

Credit Rate Risk – The risks are managed by restricting investments to those authorized by R.S. 33:5162. The City's investment policy limits investments to fully insured and/or fully collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies. At September 30, 2025, the Government's investment in U.S. agency securities were rated AA+ by Standards & Poor's.

Concentration of Credit Risk – The risk relates to the amount of investments in any one entity. At September 30, 2025, no more than 5 percent of the City's total investments were invested in any single issue.

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

The City participates in the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The financial statements for LAMP may be accessed on their website (<https://www.lamppool.com>). The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA- R.S. 33:2955.

The investment in LAMP is not exposed to custodial credit risk. LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required. Credit risk is the risk that an issuer or other counterparty to an investment will be unable to meet its obligations. LAMP is rated AAAM by Standard & Poor's. Interest rate risk is the risk that changes in interest rates will adversely affect the estimated fair value of an investment. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM of LAMP's total investments is 74 days as of September 30, 2025.

LAMP's financial statements can be obtained by contacting LAMP at 650 Poydras Street, Suite 200 New Orleans Louisiana 70130 or by contacting the administrative office at 800-249-5267, and the financial statements are available on the Louisiana Legislative Auditors website at <https://lla.la.gov/>.

(6) Receivables

Receivables at September 30, 2025 consists of the following:

	Governmental Activities		Business-Type Activities	Total
	General Fund	Sales Tax Funds	Utility Fund	
Accounts, net	\$ 63,770	\$ -	\$ 133,159	\$ 196,929
Unbilled utilities	-	-	130,768	130,768
Other	-	31,554	54,454	86,008
Totals	<u>\$ 63,770</u>	<u>\$ 31,554</u>	<u>\$ 318,381</u>	<u>\$ 413,705</u>

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(7) Due From Other Governmental Units

Amounts due from other governmental units at September 30, 2025 was as follows:

Fund Financial Statements:

Governmental funds-	
Calcasieu Parish School Board	\$ 97,741
Calcasieu Parish Police Jury	47,828
Federal grant funds	<u>24,200</u>
Total Fund Financial Statements	<u>\$ 169,769</u>
Proprietary funds-	
Calcasieu Parish School Board	<u>\$ 65,161</u>
Governmental-wide financial statements:	
Total amount reported in governmental funds	<u>\$ 169,769</u>
Total amount reported in proprietary fnds	<u>\$ 65,161</u>

(8) Restricted Assets

Restricted assets as of September 30, 2025 consisted of the following:

Revenue bond sinking fund	\$ 61,207
Revenue bond reserve fund	183,977
Revenue bond contingencies fund	136,824
Customers' deposits	<u>777,129</u>
Total restricted assets	<u>\$ 1,159,137</u>

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(9) Capital Assets

Capital asset activity for the year ended September 30, 2025 was as follows:

	Balance 10/1/2024	Additions	Deletions	Balance 9/30/2025
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 342,095	\$ -	\$ -	\$ 342,095
Construction in process	1,345,114	205,099	745,148	805,065
Property held for future use or sale	101,172	-	-	101,172
Other capital assets:				
Buildings and improvements	2,963,595	138,429	-	3,102,024
Improvements other than buldings	9,598,083	-	-	9,598,083
Automobiles	1,677,171	10,445	-	1,687,616
Machinery and equipment	1,647,621	226,406	-	1,874,027
Infrastructure	3,970,216	745,149	-	4,715,365
Totals	21,645,067	1,325,528	745,148	22,225,447
Less accumulated depreciation				
Buildings and improvements	1,612,928	80,150	-	1,693,078
Improvements other than buldings	7,511,992	309,593	-	7,821,585
Automobiles	1,235,236	116,331	-	1,351,567
Machinery and equipment	1,146,043	138,422	-	1,284,465
Infrastructure	1,244,395	148,366	-	1,392,761
Total accumulated depreciation	12,750,594	792,862	-	13,543,456
Total capital assets				
being depreciated, net	8,894,473	532,666	745,148	8,681,991
Leased assets	334,542	-	-	334,542
Less: accumulated amortization	66,758	72,484	-	139,242
Leased assets being amortized, net	267,784	(72,484)	-	195,300
Governmental activities, capiatl assets, net	\$ 9,162,257	\$ 460,182	\$ 745,148	\$ 8,877,291

Depreciation was charged to governmental activities as follows:

General government	\$ 73,901
Police	185,463
Fire	100,818
Streets	167,614
Airpark	337,550
Total governmental depreciation expense	\$ 865,346

(Continued)

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(9) Capital Assets (continued)

	Balance 10/1/2024	Additions	Deletions	Balance 9/30/2025
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 11,000	\$ 23,000	\$ -	\$ 34,000
Construction in progress	22,593	291,614	-	314,207
Other capital assets:				
Buildings	85,054	-	-	85,054
Gas distribution system	666,396	15,750	-	682,146
Sewer system	6,890,564	-	-	6,890,564
Autos and trucks	50,487	-	-	50,487
Machinery and equipment	501,069	-	-	501,069
Totals	<u>8,227,163</u>	<u>330,364</u>	<u>-</u>	<u>8,557,527</u>
Less accumulated depreciation				
Buildings	45,788	5,575	-	51,363
Gas distribution system	675,313	8,563	-	683,876
Sewer system	3,576,811	316,891	-	3,893,702
Autos and trucks	34,575	7,430	-	42,005
Machinery and equipment	196,341	39,915	-	236,256
Total accumulated depreciation	<u>4,528,828</u>	<u>378,374</u>	<u>-</u>	<u>4,907,202</u>
Total capital assets				
being depreciated, net	<u>3,698,335</u>	<u>(48,010)</u>	<u>-</u>	<u>3,650,325</u>
Leased assets	36,444	-	-	36,444
Less: accumulated amortization	<u>7,289</u>	<u>7,896</u>	<u>-</u>	<u>15,185</u>
Leased assets being amortized, net	<u>29,155</u>	<u>(7,896)</u>	<u>-</u>	<u>21,259</u>
Business-type activities, capital assets, net	<u>\$ 3,727,490</u>	<u>\$ (55,906)</u>	<u>\$ -</u>	<u>\$ 3,671,584</u>

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

Gas	\$ 11,505
Sewer	<u>374,765</u>
Total business-type depreciation expense	<u>\$ 386,270</u>

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(10) Accounts and Other Payables

The accounts, salaries, and other payables consisted of the following as of September 30, 2025:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 174,996	\$ 64,382	\$ 239,378
Accrued liabilities	70,917	19,853	90,770
Totals	\$ 245,913	\$ 84,235	\$ 330,148

(11) Long-Term Liabilities

The following is a summary of long-term liabilities transactions of the City for the year ended September 30, 2025:

	Balance 10/1/2024	Additions	Deletions	Balance 9/30/2025	Due Within One year
Governmental activities:					
Rural Development bonds	\$ 276,317	\$ -	\$ 26,363	\$ 249,954	\$ 27,574
Leases	278,336	-	66,505	211,831	72,594
Totals	\$ 554,653	\$ -	\$ 92,868	\$ 461,785	\$ 100,168
Business-Type activities					
Sewer bonds	\$ 1,561,554	\$ -	\$ 116,170	\$ 1,445,384	\$ 121,170
Leases	30,332	-	7,230	23,102	7,921
Totals	\$ 1,591,886	\$ -	\$ 123,400	\$ 1,468,486	\$ 129,091

Long-term liabilities payable at September 30, 2025 is comprised of the following:

	Total	Current Portion
Governmental activities:		
\$619,000 Revenue Bonds, Series 2003, due in monthly installments of \$3,188 maturing May 2033; including interest at 4.5%. These funds used to construct the Public Safety Building.	\$ 249,954	\$ 27,574
Business-type activities:		
\$1,200,000 Sales Tax Bonds, Series 2019, due in semi-annual interest payments, interest ranging between 1.75% to 3.50%, and annual principal payments ranging between \$63,000 and \$104,000 maturing June 2034. Funds used for sewer improvements.	\$ 795,000	\$ 76,000

(Continued)

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(11) Long-Term Liabilities (Continued)

	<u>Total</u>	<u>Current Portion</u>
Business-type activities:		
\$1,000,000 Sewer Revenue Bond, due in monthly installments of \$4,540, including interest at 4.50%, maturing May 2036. Funds used to construct the sewer plant	458,881	34,552
\$349,000 Sewer Revenue Bond, due in monthly installments of \$1,584, including interest of 4.50%, maturing March 2039. Funds used to make improvements to the Westside sewer treatment plant.	<u>191,503</u>	<u>10,618</u>
Total long-term liabilities	<u>\$1,445,384</u>	<u>\$ 121,170</u>

The annual requirements to amortize all bonds and notes outstanding as of September 30, 2025, are as follows:

<u>Year Ended September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Bonds</u>		<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 27,574	\$ 10,680	\$ 121,170	\$ 53,909
2027	28,841	9,414	125,245	49,716
2028	30,166	8,089	130,415	45,376
2029	31,551	6,703	135,686	40,830
2030	33,001	5,253	141,060	36,094
2031-2035	98,821	6,418	698,914	92,343
2036-2039	-	-	92,894	5,385
	<u>\$ 249,954</u>	<u>\$ 46,557</u>	<u>\$1,445,384</u>	<u>\$ 323,653</u>

The annual requirements to amortize lease payments as of September 30, 2025, are as follows:

<u>Year Ended September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>		<u>Interest</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 72,594	\$ 9,439	\$ 7,921	\$ 1,048
2027	72,594	9,439	7,921	1,048
2028	64,580	8,397	7,260	960
2029	2,063	268	-	-
	<u>\$ 211,831</u>	<u>\$ 27,543</u>	<u>\$ 23,102</u>	<u>\$ 3,056</u>

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(12) Pension Plans

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

Plan Descriptions:

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

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

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

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

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

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

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

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

(Continued)

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended September 30, 2025 for the defined benefit pension plans in which the City is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Nonemployer Contributing Entities</u>	<u>Government Contributions</u>
MERS	10.00%	29.50%	\$ 36,218	\$ 61,660
MPERS	10.00%	31.25%	38,736	41,414
Total			<u>\$ 74,954</u>	<u>\$ 103,074</u>

Net Pension Liability

The City's net pension liability as of September 30, 2025 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2024 for both plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the City's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 978,438	0.398407%	0.002773%
MPERS	901,974	0.125522%	0.006843%
Total	<u>\$ 1,880,412</u>		

Since the measurement date of the net pension liability was September 30, 2024, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

(Continued)

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

Actuarial Assumptions

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

	MERS	MPERS
Date of experience study on which significant assumptions are based	7/1/2018 - 6/30/2024	7/1/2018 - 6/30/2024
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	6.85%, net of investment expense	6.75%, net of investment expense
Expected remaining service lives	3	4
Inflation rate	2.50%	2.67%
Projected salary increases	4.4% - 9.5%	4.70% - 12.30%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)

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

Cost of Living Adjustments

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

(Continued)

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

Long-term Rate of Return

For MERS and MPERS, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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

Asset Class	MERS		MPERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	29.00%	1.26%	35.00%	1.21%
Equities	53.00%	2.31%	51.00%	3.20%
Alternative Investments	<u>18.00%</u>	<u>0.78%</u>	<u>14.00%</u>	<u>1.04%</u>
Totals	<u>100%</u>	4.35%	<u>100%</u>	5.45%
Inflation		<u>2.50%</u>		<u>2.67%</u>
Expected arithmetic nominal return		<u>6.85%</u>		<u>8.12%</u>

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended September 30, 2025, the City recognized \$3,731 and \$43,186 in pension expense related to MERS and MPERS, respectively.

(Continued)

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

	Deferred Outflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 2,224	\$ 43,734	\$ 45,958
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	52,407	29,111	81,518
Contributions subsequent to the measurement date	61,660	41,414	103,074
Total	\$ 116,291	\$114,259	\$ 230,550

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 16,315	\$ 23,863	\$ 40,178
Net differences between projected and actual earnings on plan investments	-	71,049	71,049
Changes of assumptions	3,544	41,426	44,970
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	63,086	20,612	83,698
Total	\$ 82,945	\$ 156,950	\$239,895

Deferred outflows of resources of \$103,074 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending September 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended June 30,	MERS	MPERS	Total
2025	\$ 86,131	\$ 78,083	\$ 164,214
2026	(38,492)	(68,602)	(107,094)
2027	(52,887)	(63,823)	(116,710)
2028	(23,066)	(29,763)	(52,829)
	\$ (28,314)	\$ (84,105)	\$(112,419)

(Continued)

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS was 6.85%, a decrease of .00% from the prior year. The discount rate used to measure the total pension liability for MPERS was 6.75%, a decrease of .00% from the prior year.

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

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

<u>Year Ended June 30,</u>	<u>MERS</u>	<u>MPERS</u>	<u>Total</u>
2025	\$ 86,131	\$ 78,083	\$ 164,214
2026	(38,492)	(68,602)	(107,094)
2027	(52,887)	(63,823)	(116,710)
2028	(23,066)	(29,763)	(52,829)
	<u>\$ (28,314)</u>	<u>\$ (84,105)</u>	<u>\$(112,419)</u>

Payables to the Pension Plans

As of September 30, 2025, the City's payables were \$20,176 and \$18,359 to MERS and MPERS, respectively, for the month of September 2025, which were the contractually required contributions.

(13) Fair Value Measurement

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

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

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

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

The following table presents assets that are measured at fair value on a recurring basis at September 30, 2025:

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Governmental Funds:				
U.S. agency securities	\$ 155,486	\$ 155,486	\$ -	\$ -
Proprietary Funds:				
U.S. agency securities	<u>103,618</u>	<u>103,618</u>	<u>-</u>	<u>-</u>
Total U.S. agency securities	<u>\$ 259,104</u>	<u>\$ 259,104</u>	<u>\$ -</u>	<u>\$ -</u>

(14) Risk Management

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

(15) Pending Litigation

As of September 30, 2025, the City is not involved in any lawsuits and is not aware of any unasserted claims.

CITY OF DEQUINCY, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(16) Interfund Transactions

Interfund transfers consisted of the following at September 30, 2025:

	Interfund Transfers In	Interfund Transfers Out
Governmental Funds:		
General Fund	\$ 353,582	\$ 1,069,502
Public Safety Special Revenue Fund	694,034	-
Street Special Revenue Fund	176,587	-
Industrial Airpark	14,090	-
Other Governmental Funds	44,949	-
Enterprise Fund:		
Utility Fund	179,771	393,511
Total	\$1,463,013	\$1,463,013

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

(17) Compensation of City Officials

A detail of compensation paid to the Mayor and City Council members for the year ended September 30, 2025 follows:

Riley Smith, Mayor	\$ 24,122
City Council:	
Margaret Brown	1,800
Bobby Dahlquist	1,800
Cameron Smith	1,800
James Smith	1,800
Scott Wylie	1,800
	\$ 33,122

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

The schedule of compensation, benefits, and other payments to Riley Smith, Mayor, for the year ended September 30, 2025:

Salary	\$ 24,122
Benefits - retirement	11,965
Benefits - insurance	6,694
	\$ 42,781

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF DEQUINCY, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 259,500	\$ 322,952	\$ 332,646	\$ 9,694
Licenses and permits	169,500	199,607	208,749	9,142
Intergovernmental	451,000	556,100	485,788	(70,312)
Miscellaneous	28,000	106,255	130,385	24,130
Total revenues	<u>908,000</u>	<u>1,184,914</u>	<u>1,157,568</u>	<u>(27,346)</u>
Expenditures:				
Current-				
General government	960,800	513,955	506,373	7,582
Cultural and recreation	14,000	10,898	5,765	5,133
Capital outlay	400,000	244,937	269,655	(24,718)
Total expenditures	<u>1,374,800</u>	<u>769,790</u>	<u>781,793</u>	<u>(12,003)</u>
Excess (deficiency of revenues over expenditures)	<u>(466,800)</u>	<u>415,124</u>	<u>375,775</u>	<u>(39,349)</u>
Other financing sources (uses):				
Transfers in	265,000	-	353,582	353,582
Transfers out	<u>(1,352,220)</u>	<u>(1,452,220)</u>	<u>(1,069,502)</u>	<u>382,718</u>
Total other financing sources (uses)	<u>(1,087,220)</u>	<u>(1,452,220)</u>	<u>(715,920)</u>	<u>736,300</u>
Net change in fund balances	(1,554,020)	(1,037,096)	(340,145)	696,951
Fund balance, beginning	<u>3,162,409</u>	<u>3,162,409</u>	<u>3,162,409</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,608,389</u>	<u>\$ 2,125,313</u>	<u>\$ 2,822,264</u>	<u>\$ 696,951</u>

See notes to required supplementary information.

CITY OF DEQUINCY, LOUISIANA
Public Safety Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 280,000	\$ 309,218	\$ 356,512	\$ 47,294
Fines and forfeits	250,000	339,055	343,490	4,435
Charges for service	2,000	104	34,067	33,963
Intergovernmental	140,500	350,298	329,232	(21,066)
Miscellaneous	1,000	33,263	177	(33,086)
Total revenues	<u>673,500</u>	<u>1,031,938</u>	<u>1,063,478</u>	<u>31,540</u>
Expenditures:				
Public safety -				
Police	1,655,800	1,603,716	1,622,052	(18,336)
Fire	168,920	277,055	310,060	(33,005)
Total public safety	<u>1,824,720</u>	<u>1,880,771</u>	<u>1,932,112</u>	<u>(51,341)</u>
Capital outlay	<u>300,000</u>	<u>127,069</u>	<u>54,935</u>	<u>72,134</u>
Total expenditures	<u>2,124,720</u>	<u>2,007,840</u>	<u>1,987,047</u>	<u>20,793</u>
Excess (deficiency) of revenues over expenditures	<u>(1,451,220)</u>	<u>(975,902)</u>	<u>(923,569)</u>	<u>52,333</u>
Other financing sources (uses):				
Contributions	-	49	49	-
Transfers in	<u>1,251,220</u>	<u>1,251,220</u>	<u>694,034</u>	<u>557,186</u>
Total other financing sources (uses)	<u>1,251,220</u>	<u>1,251,220</u>	<u>694,083</u>	<u>557,186</u>
Net change in fund balance	(200,000)	275,318	(229,486)	(229,486)
Fund balance, beginning	<u>356,795</u>	<u>356,795</u>	<u>356,795</u>	<u>-</u>
Fund balance, ending	<u>\$ 156,795</u>	<u>\$ 632,113</u>	<u>\$ 127,309</u>	<u>\$ (229,486)</u>

See notes to required supplementary information.

CITY OF DEQUINCY, LOUISIANA
Streets Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 560,000	\$ 616,000	\$ 712,431	\$ 96,431
Grants	70,000	231,217	179,305	(51,912)
Interest earned	1,500	21,449	31,207	9,758
Miscellaneous	1,000	47	458	411
Total revenues	<u>632,500</u>	<u>868,713</u>	<u>923,401</u>	<u>54,688</u>
Expenditures:				
Highways and streets	986,550	612,920	599,848	13,072
Capital outlay	<u>380,000</u>	<u>362,861</u>	<u>135,850</u>	<u>227,011</u>
Total expenditures	<u>1,366,550</u>	<u>975,781</u>	<u>735,698</u>	<u>240,083</u>
Excess of revenues over expenditures	(734,050)	(107,068)	187,703	294,771
Other financing sources (uses):				
Transfer in (out)	<u>(10,000)</u>	<u>(10,000)</u>	<u>176,587</u>	<u>186,587</u>
Net change in fund balance	(734,050)	(107,068)	364,290	471,358
Fund balance, beginning	<u>1,358,794</u>	<u>1,358,794</u>	<u>1,358,794</u>	<u>-</u>
Fund balance, ending	<u>\$ 624,744</u>	<u>\$ 1,251,726</u>	<u>\$ 1,723,084</u>	<u>\$471,358</u>

See notes to required supplementary information.

CITY OF DEQUINCY, LOUISIANA
Industrial Airpark Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - ad valorem	\$ 200,000	\$ 300,000	\$ 300,000	\$ -
Fuel sales	55,000	90,000	90,059	59
Grants	150,000	86,287	86,287	-
Interest earned	10,000	10,000	15,747	5,747
Miscellaneous	17,600	22,358	25,855	3,497
Total revenues	<u>432,600</u>	<u>508,645</u>	<u>517,948</u>	<u>9,303</u>
Expenditures:				
Airpark	373,400	307,859	325,971	(18,112)
Capital outlay	-	51,080	119,940	(68,860)
Total expenditures	<u>373,400</u>	<u>358,939</u>	<u>445,911</u>	<u>(86,972)</u>
Excess of revenues over expenditures	<u>59,200</u>	<u>149,706</u>	<u>72,037</u>	<u>(77,669)</u>
Other financing sources (uses):				
Gain (loss) on investments	-	-	(4,091)	(4,091)
Transfers in (out)	(85,000)	(85,000)	14,090	99,090
Total other financing sources (uses)	<u>(85,000)</u>	<u>(85,000)</u>	<u>9,999</u>	<u>94,999</u>
Net change in fund balance	(25,800)	64,706	82,036	17,330
Fund balance, beginning	<u>1,022,162</u>	<u>1,022,162</u>	<u>1,022,162</u>	<u>-</u>
Fund balance, ending	<u>\$ 996,362</u>	<u>\$ 1,086,868</u>	<u>\$ 1,104,198</u>	<u>\$ 17,330</u>

See notes to required supplementary information.

CITY OF DEQUINCY, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended September 30, 2025

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System:					
2016	1,102,770	0.269053%	480,623	229.4%	62.11%
2017	1,079,339	0.258004%	468,554	230.4%	62.49%
2018	1,032,043	0.249245%	455,188	226.7%	63.94%
2019	1,064,384	0.254719%	472,619	225.2%	64.68%
2020	1,195,695	0.276563%	528,602	226.2%	64.52%
2021	821,429	0.295322%	584,786	140.5%	77.82%
2022	1,375,285	0.331140%	667,773	206.0%	67.87%
2023	1,456,123	0.398407%	854,694	170.4%	72.46%
2024	1,128,920	0.401180%	823,856	137.0%	79.05%
2025	978,438	0.426851%	888,168	110.2%	83.47%
Municipal Police Employees' Retirement System:					
2016	944,602	0.100781%	262,302	360.1%	66.04%
2017	824,903	0.094486%	281,068	293.5%	70.08%
2018	842,667	0.099676%	295,187	285.5%	71.89%
2019	851,607	0.093772%	296,667	287.1%	71.01%
2020	1,238,047	0.133954%	413,748	299.2%	70.94%
2021	727,673	0.136510%	416,468	174.7%	84.09%
2022	1,329,546	0.130070%	472,518	281.4%	70.80%
2023	1,326,136	0.125522%	433,801	305.7%	71.30%
2024	1,199,221	0.132365%	462,135	259.5%	75.80%
2025	901,974	0.130605%	489,615	184.2%	81.65%

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

This schedule is intended to show information for 10 years.

See notes to required supplementary information.

CITY OF DEQUINCY, LOUISIANA

Schedule of Employer Contributions
For the Year Ended September 30, 2025

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Municipal Employees' Retirement System:					
2016	\$ 94,923	\$ 94,923	-	\$ 480,623	19.75%
2017	106,596	106,596	-	468,554	22.75%
2018	112,659	112,659	-	455,188	24.75%
2019	122,881	122,881	-	472,619	26.00%
2020	146,687	146,687	-	528,602	27.75%
2021	172,512	172,512	-	584,786	29.50%
2022	196,993	196,993	-	667,773	29.50%
2023	236,221	236,221	-	854,694	27.64%
2024	241,090	241,090	-	823,856	29.26%
2025	248,407	248,407	-	888,168	27.97%
Municipal Police Employees' Retirement System:					
2016	\$ 83,281	\$ 83,281	-	\$ 262,302	31.75%
2017	89,239	89,239	-	281,068	31.75%
2018	90,770	90,770	-	295,187	30.75%
2019	95,675	95,675	-	296,667	32.25%
2020	134,468	134,468	-	413,748	32.50%
2021	140,558	140,558	-	416,468	33.75%
2022	140,574	140,574	-	472,518	29.75%
2023	132,882	132,882	-	433,801	30.63%
2024	158,297	158,297	-	462,135	34.25%
2025	174,303	174,303	-	489,615	35.60%

This schedule is intended to show information for 10 years.

See notes to required supplementary information.

CITY OF DEQUINCY, LOUISIANA

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

(1) Budget and Budgetary Accounting

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

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

(2) Pension Plans

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

(3) Excess of Expenditures Over Appropriations

For the year ended September 30, 2025, the following funds had actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
General Fund:			
Capital outlay	244,937	269,655	(24,718)
Public Safety Special Revenue:			
Police	1,603,716	1,622,052	(18,336)
Fire	277,055	310,060	(33,005)
Industrial Airpark Special Revenue:			
Airpark services	358,939	445,911	(86,972)

SUPPLEMENTARY INFORMATION

CITY OF DEQUINCY, LOUISIANA

Statement of Net Position

September 30, 2025

With Comparative Totals for September 30, 2024

	2025			2024 Total
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing demand deposits	\$ 4,820,122	\$ 2,341,751	\$ 7,161,873	\$ 7,209,085
Investments	866,820	372,506	1,239,326	1,204,800
Receivables, net	95,324	318,381	413,705	240,130
Internal balances	-	-	-	-
Due from other governmental units	169,769	65,161	234,930	318,615
Inventory	-	-	-	-
Prepaid items	70,733	35,691	106,424	151,214
Total current assets	6,022,768	3,133,490	9,156,258	9,123,844
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing demand deposits	103,168	952,351	1,055,519	1,030,745
Investments	-	103,618	103,618	107,396
Capital assets, net	8,681,991	3,650,325	12,332,316	12,592,808
Right-of-use assets, net	195,300	21,259	216,559	296,939
Total noncurrent assets	8,980,459	4,727,553	13,708,012	14,027,888
Total assets	15,003,227	7,861,043	22,864,270	23,151,732
DEFERRED OUTFLOWS OF RESOURCES	152,951	77,599	230,550	348,267
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	245,913	84,235	330,148	296,293
Due to other governmental agencies	-	282,730	282,730	282,730
Right-of-use lease liability	72,594	7,921	80,515	77,143
Bonds payable	27,574	121,170	148,744	142,549
Customers' deposits payable	-	137,209	137,209	131,583
Total current liabilities	346,081	633,265	979,346	930,298
Noncurrent liabilities:				
Compensated absences	85,826	71,917	157,743	112,493
Right-of-use lease liability	139,237	15,181	154,418	231,525
Bonds payable	222,380	1,324,214	1,546,594	1,695,322
Net pension liability	1,190,327	690,085	1,880,412	2,328,144
Total noncurrent liabilities	1,637,770	2,101,397	3,739,167	4,367,484
Total liabilities	1,983,851	2,734,662	4,718,513	5,297,782
DEFERRED INFLOWS OF RESOURCES	181,393	58,502	239,895	111,000
NET POSITION				
Net investment in capital assets	8,877,291	2,226,200	11,103,491	11,299,038
Restricted for public safety	127,309	-	127,309	356,795
Restricted for street maintenance	1,723,084	-	1,723,084	1,358,794
Restricted for debt service	103,168	258,379	361,547	357,746
Restricted for industrial airpark	13,267	-	13,267	24,144
Unrestricted	2,146,815	2,660,899	4,807,714	4,694,700
Total net position	\$ 12,990,934	\$ 5,145,478	\$ 18,136,412	\$ 18,091,217

CITY OF DEQUINCY, LOUISIANA

Balance Sheet

General and Special Revenue Funds

September 30, 2025

With Comparative Amounts for September 30, 2024

	General		Public Safety Special Revenue		Streets Special Revenue		Airpark Special Revenue	
	2025	2024	2025	2024	2025	2024	2025	2024
ASSETS								
Cash and interest-bearing demand deposits	\$ 2,063,910	\$ 2,369,044	\$ 65,850	\$ 71,683	\$ 1,675,948	\$ 2,909,479	\$ 1,014,414	\$ 369,729
Interest-bearing time deposits	711,334	680,082	-	-	-	-	155,486	168,577
Receivables:								
Other	63,770	55,742	31,321	12,844	-	-	233	453
Due from other governmental units	47,828	58,077	32,580	38,972	65,161	63,995	24,200	48,504
Due from other funds	-	246,026	-	216,243	-	-	-	464,814
Prepaid items	3,213	12,717	44,632	56,175	9,621	10,304	13,267	24,144
Total assets	<u>\$ 2,890,055</u>	<u>\$ 3,421,688</u>	<u>\$ 174,383</u>	<u>\$ 395,917</u>	<u>\$ 1,750,730</u>	<u>\$ 2,983,778</u>	<u>\$ 1,207,600</u>	<u>\$ 1,076,221</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 22,293	\$ 28,184	\$ 26,990	\$ 20,694	\$ 23,489	\$ 14,912	\$ 102,224	\$ 24,559
Accrued liabilities	45,498	43,215	20,084	18,428	4,157	6,568	1,178	1,154
Retainage payable	-	-	-	-	-	-	-	28,346
Due to other funds	-	187,880	-	-	-	1,603,504	-	-
Total liabilities	<u>67,791</u>	<u>259,279</u>	<u>47,074</u>	<u>39,122</u>	<u>27,646</u>	<u>1,624,984</u>	<u>103,402</u>	<u>54,059</u>
Fund balances -								
Nonspendable (prepaid items)	3,213	12,717	44,632	56,175	9,621	10,304	13,267	24,144
Restricted:								
Public safety	-	-	82,677	300,620	-	-	-	-
Street maintenance	-	-	-	-	1,713,463	1,348,490	-	-
Unassigned	2,819,051	3,149,692	-	-	-	-	1,090,931	998,018
Total fund balances	<u>2,822,264</u>	<u>3,162,409</u>	<u>127,309</u>	<u>356,795</u>	<u>1,723,084</u>	<u>1,358,794</u>	<u>1,104,198</u>	<u>1,022,162</u>
Total liabilities and fund balances	<u>\$ 2,890,055</u>	<u>\$ 3,421,688</u>	<u>\$ 174,383</u>	<u>\$ 395,917</u>	<u>\$ 1,750,730</u>	<u>\$ 2,983,778</u>	<u>\$ 1,207,600</u>	<u>\$ 1,076,221</u>

CITY OF DEQUINCY, LOUISIANA

Comparative Statement of Net Position
Enterprise Fund
September 30, 2025 and 2024

	Utility Fund	
	2025	2024
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 2,341,751	\$ 1,489,150
Investments	372,506	356,141
Accounts receivable, net	318,381	171,091
Prepaid expenses	35,691	47,874
Due from other governmental agencies	65,161	109,067
Due from other funds	-	864,301
Total current assets	<u>3,133,490</u>	<u>3,037,624</u>
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing deposits	952,351	934,337
Investments	103,618	107,396
Capital assets -		
Land and construction in progress	348,207	33,593
Capital assets, net	3,302,118	3,664,742
Right-of-use assets, net	21,259	29,155
Total noncurrent assets	<u>4,727,553</u>	<u>4,769,224</u>
Total assets	<u>7,861,043</u>	<u>7,806,848</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	<u>77,599</u>	<u>116,316</u>
LIABILITIES		
Current liabilities:		
Accounts payable	64,382	89,859
Accrued liabilities	19,853	20,374
Due to other governmental agencies	282,730	282,730
Customer deposits	137,209	131,583
Right-of-use lease liability	7,921	7,583
Revenue bonds payable-current portion	121,170	116,186
Total current liabilities	<u>633,265</u>	<u>648,315</u>
Noncurrent liabilities:		
Compensated absence	71,917	41,744
Right-of-use lease liability	15,181	22,749
Revenue bonds payable	1,324,214	1,445,368
Net pension liability	690,085	796,220
Total noncurrent liabilities	<u>2,101,397</u>	<u>2,306,081</u>
Total liabilities	<u>2,734,662</u>	<u>2,954,396</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	<u>58,502</u>	<u>31,058</u>
NET POSITION		
Net investment in capital assets	2,226,200	2,136,781
Restricted for debt service	258,379	261,338
Unrestricted (deficit)	2,660,899	2,539,590
Total net position	<u>\$ 5,145,478</u>	<u>\$ 4,937,709</u>

CITY OF DEQUINCY, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Fund
For the Years Ended September 30, 2025 and 2024

	Utility Fund	
	2025	2024
Operating revenues:		
Charges for services -		
Gas charges	\$ 835,068	\$ 780,709
Sewer service charges	652,568	472,628
Garbage services	363,483	355,738
Permits, reconnections and penalties	73,819	40,344
Total operating revenues	<u>1,924,938</u>	<u>1,649,418</u>
Operating expenses:		
Gas expenses	734,479	603,578
Sewer expenses	1,171,824	1,206,885
Garbage expenses	337,443	297,205
Total operating expenses	<u>2,243,747</u>	<u>2,107,668</u>
Operating income (loss)	<u>(318,809)</u>	<u>(458,251)</u>
Nonoperating revenues (expenses):		
Non-employer pension contribution	25,544	23,157
Taxes	713,025	695,588
Grant proceeds	-	229,135
Insurance proceeds	-	270,950
Interest income	64,765	27,835
Gain (loss) on sale of assets	-	1,693
Earnings (loss) on investments	(63,016)	(65,456)
Total nonoperating revenues (expenses)	<u>740,318</u>	<u>1,182,902</u>
Income before contributions and transfers	<u>421,509</u>	<u>724,651</u>
Other financing sources (uses):		
Transfers from other funds	179,771	2,030
Transfers to other funds	(393,511)	(283,063)
Total other financing sources (uses)	<u>(213,740)</u>	<u>(281,033)</u>
Change in net position	207,769	443,618
Net position, beginning	<u>4,937,709</u>	<u>4,494,091</u>
Net position, ending	<u>\$ 5,145,478</u>	<u>\$ 4,937,709</u>

CITY OF DEQUINCY, LOUISIANA

Comparative Departmental Statement of Revenues and Expenses
 Enterprise Fund
 Utility Fund
 Years Ended September 30, 2025 and 2024

	Totals		Gas	
	2025	2024	2025	2024
Operating revenues:				
Charges for services	\$ 1,851,119	\$ 1,609,075	\$ 835,068	\$ 780,709
Miscellaneous	73,819	40,343	17,115	9,645
Allocation of administrative revenues	-	-	18,555	14,895
Total operating revenues	<u>1,924,938</u>	<u>1,649,418</u>	<u>870,738</u>	<u>805,249</u>
Operating expenses:				
Salaries	571,463	537,597	106,090	91,022
Payroll taxes	7,579	8,051	1,377	1,281
Retirement	96,394	128,327	36,301	24,863
Workers compensation	12,209	15,904	1,720	2,517
Fuel purchases	331,408	283,210	320,207	270,087
Sanatation	288,023	261,239	-	-
Auto expense	9,112	19,969	4,389	6,542
Lease expense	1,977	1,173	1,977	1,173
Repairs and maintenance	109,799	74,900	20,196	12,722
Professional fees	32,422	25,867	18,905	17,646
Telephone	8,092	6,526	1,743	1,959
Depreciation	386,270	374,919	11,505	9,623
Bad debt	-	14,927	-	-
Insurance	169,846	158,426	63,851	46,192
Utilities	82,637	64,087	2,348	2,261
Supplies	60,522	59,382	20,573	24,253
Training	11,085	5,441	1,774	3,681
Sewer analysis	30,783	29,065	-	-
Miscellaneous	34,126	38,658	7,985	8,824
Allocation of administrative expenses	-	-	113,538	78,930
Total operating expenses	<u>2,243,747</u>	<u>2,107,668</u>	<u>734,479</u>	<u>603,578</u>
Operating income (loss)	<u>\$ (318,809)</u>	<u>\$ (458,249)</u>	<u>\$ 136,259</u>	<u>\$ 201,671</u>

Sewer		Garbage		Administration	
2025	2024	2025	2024	2025	2024
\$ 652,568	\$ 472,628	\$ 363,483	\$ 355,738	\$ -	\$ -
15,572	-	-	-	41,132	30,698
14,500	9,017	8,077	6,787	(41,132)	(30,698)
<u>682,640</u>	<u>481,645</u>	<u>371,560</u>	<u>362,525</u>	<u>-</u>	<u>-</u>
330,210	379,347	-	-	135,163	67,227
5,672	6,770	-	-	530	-
50,316	103,464	-	-	9,777	-
10,489	13,387	-	-	-	-
11,201	13,123	-	-	-	-
-	-	288,023	261,239	-	-
4,723	13,427	-	-	-	-
-	-	-	-	-	-
53,279	22,584	-	-	36,324	39,594
13,417	8,221	-	-	100	-
2,665	4,567	-	-	3,684	-
374,765	365,296	-	-	-	-
-	-	-	-	-	14,927
98,217	112,233	-	-	7,778	-
68,283	61,826	-	-	12,006	-
17,951	12,345	-	-	21,998	22,784
581	1,760	-	-	8,730	-
30,783	29,065	-	-	-	-
10,547	11,687	-	-	15,594	18,147
<u>88,725</u>	<u>47,783</u>	<u>49,420</u>	<u>35,965</u>	<u>(251,684)</u>	<u>(162,679)</u>
<u>1,171,824</u>	<u>1,206,885</u>	<u>337,443</u>	<u>297,204</u>	<u>-</u>	<u>-</u>
<u>\$ (489,184)</u>	<u>\$ (725,241)</u>	<u>\$ 34,116</u>	<u>\$ 65,320</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DEQUINCY, LOUISIANA
Justice System Funding Schedule - Collecting/Disbursing Entity
For the Year Ended September 30, 2025

	<u>First Six Month Period Ended 3/31/2025</u>	<u>Second Six Month Period Ended 9/30/2025</u>
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections -		
Civil Fees	-	-
Bond Fees	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	138,128	205,362
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Service/Collection Fees	-	-
Other	-	-
Subtotal Collections	<u>138,128</u>	<u>205,362</u>
Less: Disbursements to Governments and Nonprofits -		
DeQuincy Witness - Criminal Fees - Other	1,398	1,950
Louisiana Supreme Court- Criminal Fines - Other	222	316
THI/SCI - Criminal Fines - Other	1,185	1,725
Louisiana State Treasurer CMIS - Criminal Fines - Other	1,404	1,965
Crime-Stoppers - Criminal Fines - Other	930	1,302
Public Defenders - Criminal Fines - Other	4,670	6,530
Crime Lab 1 - Criminal Fines - Other	200	250
Crime Lab 2 - Criminal Fines - Other	280	490
Crime Lab 3 - Criminal Fines - Other	11,327	15,360
Crime Lab 3b - Criminal Fines - Other	440	720
Crime Lab 4 - Criminal Fines - Other	-	100
LA Commission Crime Victims - Criminal Fines - Other	735	1,148
LA Commission Post Law - Criminal Fines - Other	921	1,282
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	114,416	172,224
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies -		
Bond Fee Refunds	-	-
Subtotal Disbursements/Retainage	<u>138,128</u>	<u>205,362</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

CITY OF DEQUINCY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended September 30, 2025
With Comparative Actual Amounts for the Year Ended September 30, 2024

	2025		Actual	Variance with Final Budget Positive (Negative)	2024 Actual
	Budget				
	Original	Final			
Taxes:					
Ad valorem taxes	\$ 85,000	\$ 129,320	\$ 131,414	\$ 2,094	\$ 117,536
Franchise taxes	174,500	193,632	201,232	7,600	175,371
Total taxes	<u>259,500</u>	<u>322,952</u>	<u>332,646</u>	<u>9,694</u>	<u>292,907</u>
Licenses and permits:					
Occupational licenses	70,000	68,675	69,450	775	73,664
Insurance licenses	70,000	88,496	98,017	9,521	90,060
Permits	29,500	42,436	41,282	(1,154)	40,404
Total licenses and permits	<u>169,500</u>	<u>199,607</u>	<u>208,749</u>	<u>9,142</u>	<u>204,128</u>
Intergovernmental:					
Federal grant	-	106,193	45,432	(60,761)	317,242
State of Louisiana -					
Grants	100,000	22,000	22,000	-	82,000
Beer taxes	6,000	6,270	6,428	158	7,666
Casino revenue	250,000	390,000	393,631	3,631	396,785
Poker machines	95,000	31,637	18,297	(13,340)	144,415
Total intergovernmental	<u>451,000</u>	<u>556,100</u>	<u>485,788</u>	<u>(70,312)</u>	<u>948,108</u>
Miscellaneous:					
Rent income	-	500	500	-	510
Interest earned	1,500	66,840	69,492	2,652	122,043
Donations	10,000	12,900	12,400	(500)	11,100
Insurance rebate	13,000	24,284	24,284	-	23,135
Miscellaneous	3,500	1,731	23,709	21,978	14,586
Total miscellaneous	<u>28,000</u>	<u>106,255</u>	<u>130,385</u>	<u>24,130</u>	<u>175,527</u>
Total revenues	<u>\$ 908,000</u>	<u>\$ 1,184,914</u>	<u>\$ 1,157,568</u>	<u>\$ (27,346)</u>	<u>\$ 1,620,670</u>

CITY OF DEQUINCY, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended September 30, 2025
With Comparative Actual Amounts for the Year Ended September 30, 2024

	2025				
	Actual		Actual	Variance with Final Budget Positive (Negative)	2024 Actual
	Original	Final			
Current:					
General government -					
Council salaries	\$ 9,000	\$ 9,000	\$ 9,000	\$ -	\$ 9,000
Mayor's compensation	20,000	20,000	21,618	(1,618)	21,618
Clerk and other salaries	109,000	60,929	41,974	18,955	84,365
Payroll taxes and retirement	67,000	78,861	76,325	2,536	60,676
Worker's compensation	1,500	(1,052)	(1,052)	-	5,045
Insurance	134,100	118,543	135,431	(16,888)	105,755
Utilities	9,500	2,225	1,669	556	9,465
Telephone	4,500	1,275	1,269	6	2,209
Professional fees	214,000	51,556	55,316	(3,760)	55,344
Festivals & tourism	24,000	12,000	9,152	2,848	17,881
Office supplies	5,800	6,282	6,573	(291)	12,599
Tax roll collection	8,400	8,363	8,363	-	8,375
Training and conventions	10,000	5,243	4,741	502	3,851
Dues	2,000	495	616	(121)	1,174
Museum	40,000	37,978	38,887	(909)	36,042
Coroner/medical	10,000	18,392	18,589	(197)	11,600
Repairs and maintenance	228,500	47,539	38,769	8,770	34,889
Animal control	28,500	27,063	27,064	(1)	21,838
Miscellaneous	35,000	9,263	12,069	(2,806)	10,455
Total general government	<u>960,800</u>	<u>513,955</u>	<u>506,373</u>	<u>7,582</u>	<u>512,181</u>
Cultural and recreation -					
Repairs and maintenance	5,000	5,000	4	4,996	482
Utilities	7,000	3,898	3,838	60	3,066
Miscellaneous	2,000	2,000	1,923	77	1,326
Total parks and recreation	<u>14,000</u>	<u>10,898</u>	<u>5,765</u>	<u>5,133</u>	<u>4,874</u>
Capital outlay:					
General government	-	167,730	165,730	2,000	123,062
Cultural and recreation	400,000	77,207	103,925	(26,718)	38,468
Total capital outlay	<u>400,000</u>	<u>244,937</u>	<u>269,655</u>	<u>(24,718)</u>	<u>161,530</u>
Total expenditures	<u>\$ 1,374,800</u>	<u>\$ 769,790</u>	<u>\$ 781,793</u>	<u>\$ (12,003)</u>	<u>\$ 678,585</u>

CITY OF DEQUINCY, LOUISIANA
Public Safety Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2025
With Comparative Actual Amounts for the Year Ended September 30, 2024

	2025				2024 Actual
	Budget		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
Revenues:					
Taxes	\$ 280,000	\$ 309,218	\$ 356,512	\$ 47,294	\$ 347,794
Fines and forfeits	250,000	339,055	343,490	4,435	325,244
Charges for service	2,000	104	34,067	33,963	10,364
Intergovernmental	140,500	350,298	329,232	(21,066)	263,878
Miscellaneous	1,000	33,263	177	(33,086)	155
Total revenues	<u>673,500</u>	<u>1,031,938</u>	<u>1,063,478</u>	<u>31,540</u>	<u>947,435</u>
Expenditures:					
Public safety -					
Police department -					
Personnel services	1,117,000	1,128,956	1,146,346	(17,390)	1,126,887
Operations	421,000	345,798	339,847	5,951	362,111
Repairs and maintenance	10,000	3,294	39,104	(35,810)	34,051
Feeding prisoners	62,000	56,343	42,147	14,196	56,220
Court fees	40,000	54,060	53,425	635	54,128
Miscellaneous	5,800	15,265	1,183	14,082	553
Total police department	<u>1,655,800</u>	<u>1,603,716</u>	<u>1,622,052</u>	<u>(18,336)</u>	<u>1,633,950</u>
Fire department -					
Personnel services	64,520	54,350	49,596	4,754	56,484
Operations	94,400	199,705	242,693	(42,988)	100,062
Repairs and maintenance	9,000	12,070	14,018	(1,948)	13,473
Miscellaneous	1,000	10,930	3,753	7,177	2,180
Total fire department	<u>168,920</u>	<u>277,055</u>	<u>310,060</u>	<u>(33,005)</u>	<u>172,199</u>
Total public safety	<u>1,824,720</u>	<u>1,880,771</u>	<u>1,932,112</u>	<u>(51,341)</u>	<u>1,806,149</u>
Capital outlay	<u>300,000</u>	<u>127,069</u>	<u>54,935</u>	<u>72,134</u>	<u>515,459</u>
Total expenditures	<u>2,124,720</u>	<u>2,007,840</u>	<u>1,987,047</u>	<u>20,793</u>	<u>2,321,608</u>
Excess (deficiency) of revenues over expenditures	<u>(1,451,220)</u>	<u>(975,902)</u>	<u>(923,569)</u>	<u>52,333</u>	<u>(1,374,173)</u>
Other financing sources (uses):					
Gain (loss) on sale of assets	-	-	-	-	35,851
Proceeds from capital lease	-	-	-	-	334,542
Contributions	-	49	49	-	21,750
Transfer in	1,251,220	1,251,220	694,034	557,186	665,469
Transfers out	-	-	-	-	(4,116)
Total other financing sources	<u>1,251,220</u>	<u>1,251,269</u>	<u>694,083</u>	<u>557,186</u>	<u>1,053,496</u>
Net change in fund balance	<u>(200,000)</u>	<u>275,367</u>	<u>(229,486)</u>	<u>(504,853)</u>	<u>(320,677)</u>
Fund balance, beginning	<u>356,795</u>	<u>356,795</u>	<u>356,795</u>	<u>-</u>	<u>677,472</u>
Fund balance, ending	<u>\$ 156,795</u>	<u>\$ 632,162</u>	<u>\$ 127,309</u>	<u>\$ (504,853)</u>	<u>\$ 356,795</u>

CITY OF DEQUINCY, LOUISIANA
Streets Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2025

With Comparative Actual Amounts for the Year Ended September 30, 2024

	2025			Variance with Final Budget Positive (Negative)	2024 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 560,000	\$ 616,000	\$ 712,431	\$ 96,431	\$ 695,446
Grants	70,000	231,217	179,305	(51,912)	18,088
Interest earned	1,500	21,449	31,207	9,758	3,780
Miscellaneous	1,000	47	458	411	11,719
Total revenues	<u>632,500</u>	<u>868,713</u>	<u>923,401</u>	<u>54,688</u>	<u>729,033</u>
Expenditures:					
Highways and streets:					
Personnel services	338,800	379,935	327,720	52,215	291,050
Workers compensation	14,000	27,000	23,159	3,841	6,636
Repairs and maintenance	464,000	63,885	70,869	(6,984)	84,660
Office expense	9,100	2,337	922	1,415	10,860
Utilities	92,000	98,167	101,701	(3,534)	82,990
Insurance	30,300	26,523	58,057	(31,534)	59,239
Miscellaneous	2,100	4,945	5,341	(396)	6,305
Uniforms	8,000	6,081	5,966	115	5,777
Professional fees	28,250	4,047	6,113	(2,066)	8,401
Total highways and streets	<u>986,550</u>	<u>612,920</u>	<u>599,848</u>	<u>13,072</u>	<u>555,918</u>
Capital outlay	<u>380,000</u>	<u>362,861</u>	<u>135,850</u>	<u>227,011</u>	<u>122,519</u>
Total expenditures	<u>1,366,550</u>	<u>975,781</u>	<u>735,698</u>	<u>240,083</u>	<u>678,437</u>
Excess (deficiency) of revenues over expenditures	<u>(734,050)</u>	<u>(107,068)</u>	<u>187,703</u>	<u>294,771</u>	<u>50,596</u>
Other financing sources (uses):					
Gain (loss) on sale of assets	-	-	-	-	7,469
Transfer in	(10,000)	(10,000)	176,587	186,587	65,169
Transfers out	-	-	-	-	(658)
Total other financing sources	<u>(10,000)</u>	<u>(10,000)</u>	<u>176,587</u>	<u>186,587</u>	<u>71,980</u>
Net change in fund balance	<u>(744,050)</u>	<u>(117,068)</u>	<u>364,290</u>	<u>481,358</u>	<u>122,576</u>
Fund balance, beginning	<u>1,358,794</u>	<u>1,358,794</u>	<u>1,358,794</u>	<u>-</u>	<u>1,236,218</u>
Fund balance, ending	<u>\$ 614,744</u>	<u>\$ 1,241,726</u>	<u>\$ 1,723,084</u>	<u>\$ 481,358</u>	<u>\$ 1,358,794</u>

CITY OF DEQUINCY, LOUISIANA
Industrial Airpark Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2025
With Comparative Actual Amounts for the Year Ended September 30, 2024

	2025			Variance with Final Budget Positive (Negative)	2024 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes - ad valorem	\$ 200,000	\$ 300,000	\$ 300,000	\$ -	\$ 250,000
Fuel sales	55,000	90,000	90,059	59	84,504
Grants	150,000	86,287	86,287	-	671,727
Interest earned	10,000	10,000	15,747	5,747	14,168
Miscellaneous	<u>17,600</u>	<u>22,358</u>	<u>25,855</u>	<u>3,497</u>	<u>24,876</u>
Total revenues	<u>432,600</u>	<u>508,645</u>	<u>517,948</u>	<u>9,303</u>	<u>1,045,275</u>
Expenditures:					
Airpark -					
Personel expenses	118,900	117,763	115,287	2,476	89,772
Fuel purchases	50,000	74,697	76,274	(1,577)	75,575
Repairs and maintenance	69,000	44,157	59,127	(14,970)	57,944
Professional fees	40,000	12,735	13,124	(389)	7,494
Telephone and utilities	14,500	16,882	18,679	(1,797)	15,226
Insurance	44,000	21,919	24,826	(2,907)	20,133
Office expense	9,000	5,476	4,692	784	3,740
Miscellaneous	<u>28,000</u>	<u>14,230</u>	<u>13,962</u>	<u>268</u>	<u>17,157</u>
Total airpark expenses	373,400	307,859	325,971	(18,112)	287,041
Capital outlay	<u>-</u>	<u>51,080</u>	<u>119,940</u>	<u>(68,860)</u>	<u>703,571</u>
Total expenditures	<u>373,400</u>	<u>358,939</u>	<u>445,911</u>	<u>(86,972)</u>	<u>990,612</u>
Excess of revenues over expenditures	<u>59,200</u>	<u>149,706</u>	<u>72,037</u>	<u>(77,669)</u>	<u>54,663</u>
Other financing sources (uses):					
Gain (loss) on sale of assets	-	-	-	-	4,271
Gain (loss) on investments	-	-	(4,091)	(4,091)	9,394
Transfers (in) out	<u>(85,000)</u>	<u>(85,000)</u>	<u>14,090</u>	<u>99,090</u>	<u>(192,230)</u>
Total other financing sources (uses)	<u>(85,000)</u>	<u>(85,000)</u>	<u>9,999</u>	<u>94,999</u>	<u>(178,565)</u>
Net change in fund balance	(25,800)	64,706	82,036	17,330	(123,902)
Fund balance, beginning	<u>1,022,162</u>	<u>1,022,162</u>	<u>1,022,162</u>	<u>-</u>	<u>1,146,064</u>
Fund balance, ending	<u>\$ 996,362</u>	<u>\$ 1,086,868</u>	<u>\$ 1,104,198</u>	<u>\$ 17,330</u>	<u>\$ 1,022,162</u>

CITY OF DEQUINCY, LOUISIANA
Debt Service Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2025
With Comparative Actual Amounts for the Year Ended September 30, 2024

	2025			Variance with Final Budget Positive (Negative)	2024 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Interest earned	\$ 10	\$ 10	\$ 65	\$ (55)	\$ 76
Total revenue	<u>10</u>	<u>10</u>	<u>65</u>	<u>(55)</u>	<u>76</u>
Expenses:					
Principal	25,204	24,045	26,363	(2,318)	25,204
Interest	<u>13,050</u>	<u>14,209</u>	<u>11,891</u>	<u>2,318</u>	<u>13,050</u>
Total expense	<u>38,254</u>	<u>38,254</u>	<u>38,254</u>	<u>-</u>	<u>38,254</u>
Other financing sources:					
Transfer in	<u>42,000</u>	<u>42,000</u>	<u>44,949</u>	<u>2,949</u>	<u>45,589</u>
Total other financing sources	<u>42,000</u>	<u>42,000</u>	<u>44,949</u>	<u>2,949</u>	<u>45,589</u>
Net change in fund balance	3,756	3,756	6,760	(55)	7,411
Fund balance, beginning	<u>96,408</u>	<u>96,408</u>	<u>96,408</u>	<u>-</u>	<u>88,997</u>
Fund balance, ending	<u>\$ 184,164</u>	<u>\$ 184,164</u>	<u>\$ 103,168</u>	<u>\$ (55)</u>	<u>\$ 96,408</u>

CITY OF DEQUINCY, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers and Sewer Rates Per Month
(Unaudited)
September 30, 2025

Following are the sewer rates and number of customers by customer type:

	Rate per Month	Number of Customers
RESIDENTIAL:		
Inside city limits	\$34.34	1,082
Outside city limits	\$34.34	65
 COMMERCIAL		
Small businesses -no public restroom	\$81.13	94
Convenience stores and banks	\$124.38	8
Small rv park	\$146.03	2
Funeral home, bar, and washateria	\$178.48	6
Restaurants	\$232.55	11
Grocery stores	\$340.70	1
Small motel	\$286.63	0
Medium hotel	\$881.50	1
Elderly housing complex	\$665.18	1
Nursing home and hospital	\$1,097.83	1
Hospitals	\$805.70	1
Schools	\$439.13-\$661.94	4
Small apartment complex	\$565.40	2
Large mobile home park	\$1,525.05	1
Large apartment complex	\$1,356.97	<u>1</u>
Total sewer customers		<u>1,281</u>

Number of Customers -

Gas	1,262
Garbage	1,152

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

KOLDER, SLAVEN & COMPANY, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dequincy, Louisiana (City), as of and for the year ended September 30, 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 March 25, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

City of Dequincy, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned cost. The City was not required to make responses since our audit did not identify any findings.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
March 25, 2026

CITY OF DEQUINCY, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended September 30, 2024

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

A. Internal Control Over Financial Reporting

There were no findings with regards to internal controls.

B. Compliance Findings

There were no findings with regards to internal controls.

Part II: Prior Year Findings

A. Internal Control Over Financial Reporting

There were no findings with regards to internal controls.

C. Compliance Findings

There were no findings with regards to internal controls.

CITY OF DEQUINCY

DeQuincy, Louisiana

Agreed-Upon Procedures Report

Year Ended September 30, 2025

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Riley Smith, Mayor
and Members of the Board of Aldermen
City of DeQuincy, Louisiana
and the Louisiana Legislative Auditor

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, Purchase Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) custodial responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) Obtain the prior year audit report and observe the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

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

Collections (excluding electronic fund transfers)

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when*

selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the custodial has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/ officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, obtain the City's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9, as applicable.
11. Using the City's main operating account and the month selected in "Bank Reconciliations" procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was:

- a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy.
- b) Approved by the required number of authorized signers per the entity's policy.

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

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

Contracts

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

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

Payroll and Personnel

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

17. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the City's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the City's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments,

workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

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

Debt Service

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

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

Fraud Notice

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

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

The City represented that there were no misappropriations of public funds and/or assets during the fiscal year.

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

Information Technology Disaster Recovery/Business Continuity

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

27. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
 - a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19 and observe evidence that the selected terminated employees have been removed or disabled from the network.
 - a. Observe evidence that the selected terminated employees have been removed or disabled from the network.
29. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the City’s information technology assets completed cybersecurity training as required by R.S. 42:1267:
 - a. Completed the training if hired before June 9, 2020; and
 - b. Completed the training within 30 days of initial service or employment if hired on or after June 9, 2020.

Prevention of Sexual Harassment

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

30. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
31. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
32. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the custodial who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the custodial;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Exceptions:

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

Written Policies and Procedures

- 1. The entity has insufficient written policies for the following; (a) Budgeting - monitoring the budget, (b) Purchasing - how vendors are added to the vendor list and controls to ensure compliance with public bid law, (c) Receipts - preparing deposits, (d) Information Technology Disaster Recovery/ Business Continuity - identification of critical data and frequency of data backups, storage of backups in a separate physical located isolated from the network, periodic testing/ verification that backups can be restored, timely application of all available system and software patches/updates, identification of personnel, processes, and tools needed to recover operations after a critical event.

Board or Finance Committee

- 2. The minutes do not state or mention the following: The board/finance committee received written updates of the progress of resolving audit finding(s) according to management’s corrective action plan at each meeting until the findings are considered fully resolved.

Management’s Response:

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

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
March 25, 2026