

**City of Minden
Minden, Louisiana**

**Annual Financial Report
As of and for the Year Ended September 30, 2023**

City of Minden
Table of Contents

| | <u>Page</u> |
|---|------------------|
| FINANCIAL SECTION | |
| Independent Auditor’s Report | 5-8 |
| REQUIRED SUPPLEMENTARY INFORMATION | 9 |
| Management's Discussion and Analysis (MD&A) | 11-20 |
| BASIC FINANCIAL STATEMENTS | |
| | <u>Statement</u> |
| Government-wide Financial Statements (GWFS) | 21 |
| Statement of Net Position | A 23 |
| Statement of Activities | B 24-25 |
| Fund Financial Statements (FFS) | 27 |
| Governmental Funds: | |
| Balance Sheet | C 28 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position | D 29 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances | E 30 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities | F 31 |
| Proprietary Fund Type - Enterprise Funds: | |
| Statement of Net Position | G 32 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position | H 33 |
| Statement of Cash Flows | I 34-35 |
| Fiduciary Funds: | |
| Statement of Fiduciary Net Position | J 36 |
| Statement of Changes in Fiduciary Net Position | K 37 |
| Notes to the Financial Statements | |
| Index | 38 |
| Notes | 39-72 |
| REQUIRED SUPPLEMENTARY INFORMATION | 73 |
| | <u>Exhibit</u> |
| Schedule of the Employer’s Proportionate Share of the Net Pension Liability | 1-1 74 |
| Schedule of Employer Contributions to Pension Plans | 1-2 75 |
| Notes to Required Supplementary Information for Pensions | 76-78 |
| Schedule of Changes in Total OPEB Liability and Related Ratios | 2 79 |
| Condition Rating of the City’s Street System | 3 80 |
| Budgetary Comparison Schedules | 81 |
| Budgetary Comparison Schedule - General Fund | 4-1 82 |
| Budgetary Comparison Schedule - Sales Tax Fund | 4-2 83 |
| Budgetary Comparison Schedule - Sales Tax – Sewerage Fund | 4-3 84 |
| Notes to the Budgetary Comparison Schedule | 85 |

(Continued)

City of Minden
Table of Contents

| | <u>Exhibit</u> | <u>Page</u> |
|---|----------------|-------------|
| SUPPLEMENTARY INFORMATION | | 87 |
| Combining Nonmajor Governmental Funds – by Fund Type | | 88 |
| Combining Balance Sheet – by Fund Type | 5 | 89 |
| Combining Statement of Revenues, Expenditures and Change in Fund Balances – by Fund Type | 6 | 90 |
| Nonmajor Special Revenue Funds | | 91 |
| Combining Balance Sheet – by Fund | 7 | 92 |
| Combining Statement of Revenues, Expenditures and Change in Fund Balances – by Fund | 8 | 93 |
| Budgetary Comparison Schedules – Nonmajor Special Revenue Funds | | |
| Budgetary Comparison Schedule – TIF District #1 | 9-1 | 94 |
| Budgetary Comparison Schedule – TIF District #2 | 9-2 | 95 |
| Budgetary Comparison Schedule – TIF District #3 | 9-3 | 96 |
| Budgetary Comparison Schedule – TIF District #4 | 9-4 | 97 |
| Schedule of Compensation Paid to Council Members | 10 | 98 |
| Schedule of Compensation, Benefits and Other Payments to Agency Head | 11 | 99 |
| Justice System Funding Schedule – Collecting/Disbursing Entity | 12 | 100 |
| OTHER REPORTS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i> | | 101 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> | | 102-103 |
| Schedule of Findings and Responses | | 104-106 |
| OTHER INFORMATION | | 107 |
| Schedule of Prior Year Findings and Responses | | 108-109 |
| Corrective Action Plan for Current Year Audit Findings and Responses | | 110-111 |
| Management Letter | | 112-113 |
| Status of Prior Year Management Letter Items | | 114-115 |
| AGREED-UPON PROCEDURES | | 116 |
| Independent Accountant’s Report on Applying Statewide Agreed-Upon Procedures | | 117-126 |

(Concluded)



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Aimee Buchanan, CPA

Principal: Cindy Thomason, CPA

Audit Managers: Amy Tynes, CPA, CFE
Margie Williamson, CPA
Jennie Henry, CPA, CFE

Supervisors: Crystal Patterson, CPA
Sandra Harper, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and the City Council
City of Minden
Minden, Louisiana

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Minden, Louisiana, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Minden, Louisiana, as of September 30, 2023, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Government Activities, Business-Type Activities, Each Major Fund and Aggregate Remaining Fund Information

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Minden, Louisiana, as of September 30, 2023, 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.

We did not audit the financial statements of the City of Minden, Pension (and Employee Benefit Trust) which represents 29.9% of the assets of the fiduciary funds as of September 30, 2023. Those statements were audited by another auditor whose reports have been furnished to us, and our opinions, insofar as it relates to the amount included for City of Minden, Pension (and Employee Benefit Trust) is based solely on the reports of the other auditor.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 adverse and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the City's legally separate component units, City Court of Minden and Minden City Marshal. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the amount by which this departure would affect the assets, liabilities, deferred inflows/outflows of resources, net position, revenues and expenses of the aggregate discretely presented component units has not been determined.

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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgement and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our 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.

Emphasis of Matters

As disclosed in Note 20 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 96 – *Subscription-Based Technology Arrangements (SBITAs)*. Our opinion is not modified with respect to this matter.

As disclosed in Note 10 to the financial statements, the net pension liability for the City was \$13,895,544 at September 30, 2023, as determined by the Municipal Employee's Retirement System (MERS), Municipal Police Employee's Retirement System (MPERS), and Firefighters' Retirement System (FRS). The related actuarial valuations were performed by the MERS', MPERS' and FRS' actuaries using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at September 30, 2023, could be under or overstated. Our opinion is not modified with respect to this matter.

As disclosed in Note 11 to the financial statements, the other post-employment benefit (OPEB) liability for the City was \$6,154,399 on September 30, 2023, as determined by the City's actuary using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at September 30, 2023, could be under or overstated. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Total OPEB Liability and Related Ratios, Schedule of Employer's Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plans, the Budgetary Comparison Schedules, and notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Minden’s basic financial statements. The accompanying supplementary information, as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information, as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2024, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
March 31, 2024

Type text here

REQUIRED SUPPLEMENTARY INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

This page intentionally left blank.

City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2023

Our discussion and analysis of the City of Minden, Louisiana's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the City's financial statements, which begin on page 21.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$38.3 million.
- During the year, the expenses of the City's governmental activities exceeded revenues by \$3.5 million dollars before transfers. Last year, expenses exceeded revenues by \$3.0 million.
- The City's total revenues were \$.5 million more than prior year. A \$1.1 million decrease occurred in the business-type activities, offset by a \$1.7 million increase in governmental activities.
- The total cost of all of the City's programs was approximately \$39.2 million.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 23-25) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 28. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 13. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in them. You can think of the City's net position—the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources—as one way to measure the City's financial health, or *financial position*.

Over time, *increases or decreases* in the City's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2023

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities – Most of the City’s basic services are reported here, including the police, fire, public works, parks and recreation, sanitation and health, highway and streets, economic development, and general administration. Property taxes, sales taxes, franchise fees, and state and federal grants finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City’s water, sewer, and electrical systems are reported here.

Reporting the City’s Most Significant Funds

The City’s financial statements of the major funds begins on page 28. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes other funds to help it control and manage money for particular purposes (like street improvements) or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like sales taxes restricted for specific use). The City’s two kinds of funds –*governmental* and *proprietary* use different accounting approaches.

- *Governmental funds* – Most of the City’s basic services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end that are nonspendable, restricted, committed, assigned or unassigned. These classifications of fund balance show the nature and extent of constraints placed on the City’s fund balances by law, creditors, City council, and the City’s annually adopted budget. Unassigned fund balance is available for spending for any purpose. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation following the fund financial statements.
- *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City’s enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2023

The City as Trustee

The City is the trustee, or fiduciary, for the Police Bond fund and the Pension Benefit Trust fund. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 36. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

THE CITY AS A WHOLE

The City's *combined* net position increased by \$.4 million. In contrast, last year's net position decreased by \$.8 million. Looking at net position and net expenses of governmental and business-type activities separately, however, provides more detail. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

(Table 1)
Net Position
September 30

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Assets | | | | | | |
| Current and other assets | \$ 12,639,836 | \$ 13,487,372 | \$ 17,242,704 | \$ 15,348,038 | \$ 29,882,540 | \$ 28,835,410 |
| Capital assets | 23,756,096 | 24,005,712 | 15,033,803 | 15,847,606 | 38,789,899 | 39,853,318 |
| Total assets | <u>36,395,932</u> | <u>37,493,084</u> | <u>32,276,507</u> | <u>31,195,644</u> | <u>68,672,439</u> | <u>68,688,728</u> |
| Total deferred outflows of resources | 3,481,450 | 3,844,444 | 638,761 | 1,075,744 | 4,120,211 | 4,920,188 |
| Liabilities | | | | | | |
| Current and other liabilities | 814,276 | 1,862,428 | 6,430,180 | 4,832,860 | 7,244,456 | 6,695,288 |
| Long-term liabilities | 17,927,869 | 17,653,850 | 4,539,278 | 5,581,444 | 22,467,147 | 23,235,294 |
| Total liabilities | <u>18,742,145</u> | <u>19,516,278</u> | <u>10,969,458</u> | <u>10,414,304</u> | <u>29,711,603</u> | <u>29,930,582</u> |
| Total deferred inflows of resources | 4,566,360 | 5,701,969 | 215,901 | 46,986 | 4,782,261 | 5,748,955 |
| Net Position | | | | | | |
| Net investment in capital assets | 22,929,828 | 23,116,055 | 14,173,302 | 14,778,578 | 37,103,130 | 37,894,633 |
| Restricted | 6,530,618 | 6,680,692 | - | - | 6,530,618 | 6,680,692 |
| Unrestricted | <u>(12,891,569)</u> | <u>(13,677,466)</u> | <u>7,556,607</u> | <u>7,031,520</u> | <u>(5,334,962)</u> | <u>(6,645,946)</u> |
| Total net position | <u>\$ 16,568,877</u> | <u>\$ 16,119,281</u> | <u>\$ 21,729,909</u> | <u>\$ 21,810,098</u> | <u>\$ 38,298,786</u> | <u>\$ 37,929,379</u> |

The largest portion of the City of Minden's net position totaling approximately \$37.1 million reflects its investment in capital assets (e.g. land, buildings, streets, drainage, machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The City of Minden uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Minden's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2023

Governmental Activities – Net Position

Expenses of the governmental activities exceeded the taxes and program revenue by \$3.5 million. The governmental activities were funded with transfers of \$3.9 million from the City's business type activities. The net position of governmental activities increased by \$.4 million.

The restricted net position of the governmental activities represents the portion of net position that is not available to finance the day-to-day operations. The use of restricted assets is subject to constraints established by a voter-approved city ordinance. Restricted net position decreased by \$.15 million to a total of \$6.5 million, a majority of which is available to finance specific funding for sewer and recreational activities.

Business-type Activities – Net Position

There was a \$.08 million decrease in the total net position of the business-type activities. Before transferring \$3.9 million (net) to the governmental activities, the business type activities reported a \$3.8 million surplus.

Our analysis that follows separately considers the operations of governmental and business-type activities.

Governmental activities

The total revenues for governmental activities increased by \$1.7 million when compared to prior year revenues, with largest increase in sales tax. The City of Minden is seeing a constant increasing trend on sales tax due to increase in retail sales.

Overall governmental expenses were \$2.2 million more than last year's expenses, Police, Culture and Recreation, Fire, Street, and General and administrative reported increases of \$1.2 million, \$.1 million, \$.5 million, \$.3 million and .2 million in expenses, respectively, while Public Works reported a decrease of approximately \$.1 million.

Business-type activities

This year, revenues exceeded expenses for business-type activities by \$3.8 million before transfers. Last year, the surplus was \$2.2 million before transfers.

When compared to last year's revenues, the total business-type revenues were \$1.1 million less. The decrease in the charges for electrical services was \$2.3 million; offset by slight increases in water and sewer activities.

The Utility fund transferred approximately \$5.8 million to the City's General fund. The Utility fund received \$1.9 million from the Sales Tax - Sewerage fund to help cover sewer program expenses.

The total cost of the business type activities programs was approximately \$21.6 million, with 72.6% of the cost occurring within the electric department. The overall cost of these programs decreased by approximately \$2.7 million. The electrical services and water departments reported decreases in expenses of \$2.6 million and \$.6 million, respectively, offset by a \$.3 million increase in the sewer department.

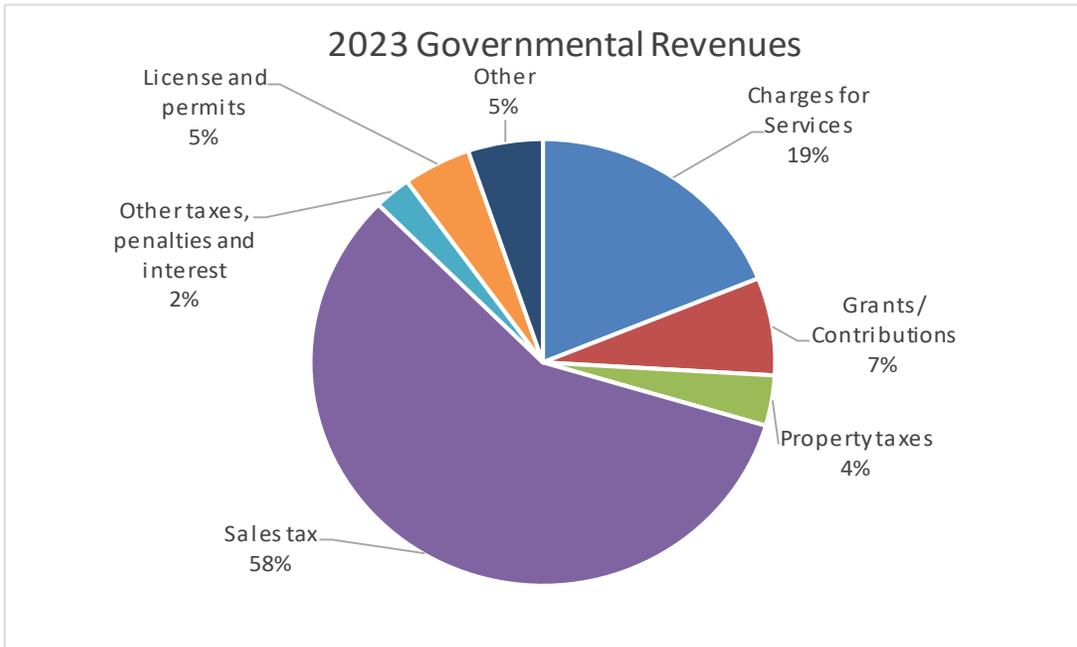
City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2023

(Table 2)
Changes in Net Position
For the Year Ended September 30

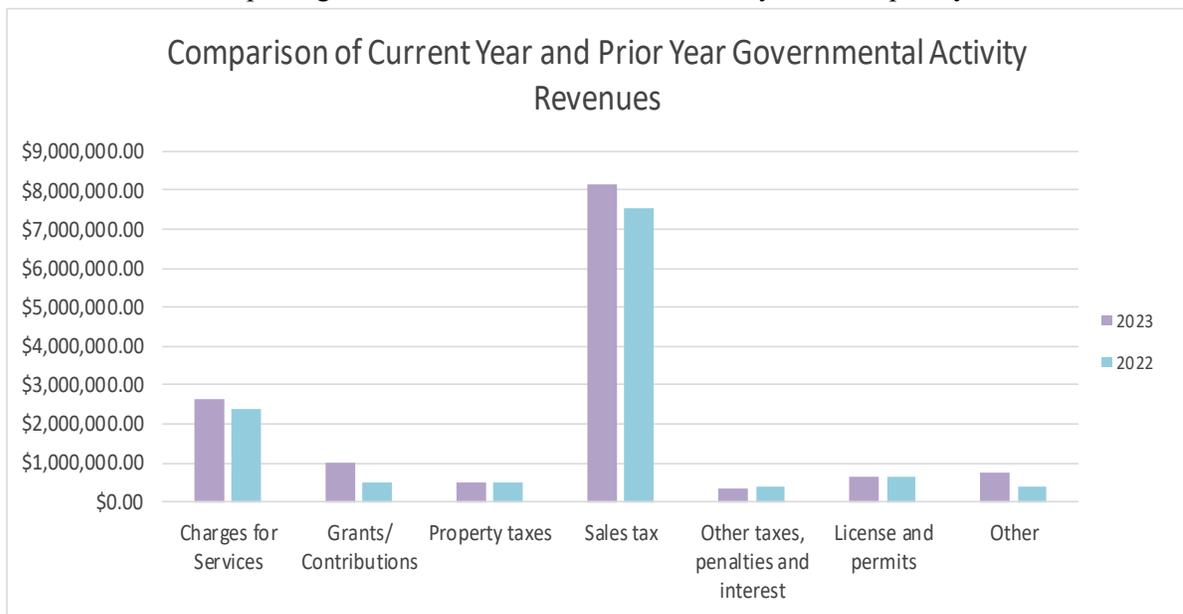
| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 2,660,542 | \$ 2,408,593 | \$ 24,259,872 | \$ 26,230,157 | \$ 26,920,414 | \$ 28,638,750 |
| Operating grants and contributions | 577,667 | 372,782 | - | - | 577,667 | 372,782 |
| Capital grants and contributions | 418,404 | 130,223 | 35,000 | - | 453,404 | 130,223 |
| General revenues | | | | | | |
| Property taxes | 513,380 | 501,963 | - | - | 513,380 | 501,963 |
| Sales tax | 8,160,415 | 7,558,937 | - | - | 8,160,415 | 7,558,937 |
| Other taxes, penalties and interest | 363,313 | 374,181 | - | - | 363,313 | 374,181 |
| License and permits | 667,210 | 627,834 | - | - | 667,210 | 627,834 |
| Grants and contributions not restricted to a program | 1,550 | 33,976 | 473,969 | - | 475,519 | 33,976 |
| Earnings on investments | 139,936 | 25,934 | 259,683 | (126,530) | 399,619 | (100,596) |
| Miscellaneous | 592,329 | 312,366 | 419,271 | 453,360 | 1,011,600 | 765,726 |
| Total Revenues | 14,094,746 | 12,346,789 | 25,447,795 | 26,556,987 | 39,542,541 | 38,903,776 |
| Functions/Program Expenses: | | | | | | |
| Governmental activities | | | | | | |
| General and administrative | 2,722,666 | 2,501,874 | - | - | 2,722,666 | 2,501,874 |
| Police department | 5,078,345 | 3,852,530 | - | - | 5,078,345 | 3,852,530 |
| Fire department | 2,209,685 | 1,751,631 | - | - | 2,209,685 | 1,751,631 |
| Street department | 3,237,516 | 2,895,939 | - | - | 3,237,516 | 2,895,939 |
| Health and welfare | 1,060,530 | 1,064,761 | - | - | 1,060,530 | 1,064,761 |
| Culture and recreation | 2,149,954 | 2,016,520 | - | - | 2,149,954 | 2,016,520 |
| Public Works | 1,066,545 | 1,209,253 | - | - | 1,066,545 | 1,209,253 |
| Interest expense | 32,359 | 14,051 | - | - | 32,359 | 14,051 |
| Business-type activities | | | | | | |
| Water enterprise | - | - | 2,094,567 | 2,656,152 | 2,094,567 | 2,656,152 |
| Sewer enterprise | - | - | 2,368,164 | 2,031,805 | 2,368,164 | 2,031,805 |
| Electric | - | - | 15,684,441 | 18,281,869 | 15,684,441 | 18,281,869 |
| Other | - | - | 1,468,362 | 1,416,135 | 1,468,362 | 1,416,135 |
| Total Functions/Program Expenses | 17,557,600 | 15,306,559 | 21,615,534 | 24,385,961 | 39,173,134 | 39,692,520 |
| Increase (decrease) in net position before transfers | (3,462,854) | (2,959,770) | 3,832,261 | 2,171,026 | 369,407 | (788,744) |
| Transfers | 3,912,450 | 2,670,451 | (3,912,450) | (2,670,451) | - | - |
| Increase (decrease) in net position | 449,596 | (289,319) | (80,189) | (499,425) | 369,407 | (788,744) |
| Net position - beginning | 16,119,281 | 16,408,600 | 21,810,098 | 22,309,523 | 37,929,379 | 38,718,123 |
| Net position - ending | \$ 16,568,877 | \$ 16,119,281 | \$ 21,729,909 | \$ 21,810,098 | \$ 38,298,786 | \$ 37,929,379 |

City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2023

The following chart displays the various types of governmental revenues and their respective percentage of total governmental revenues received as of September 30, 2023:

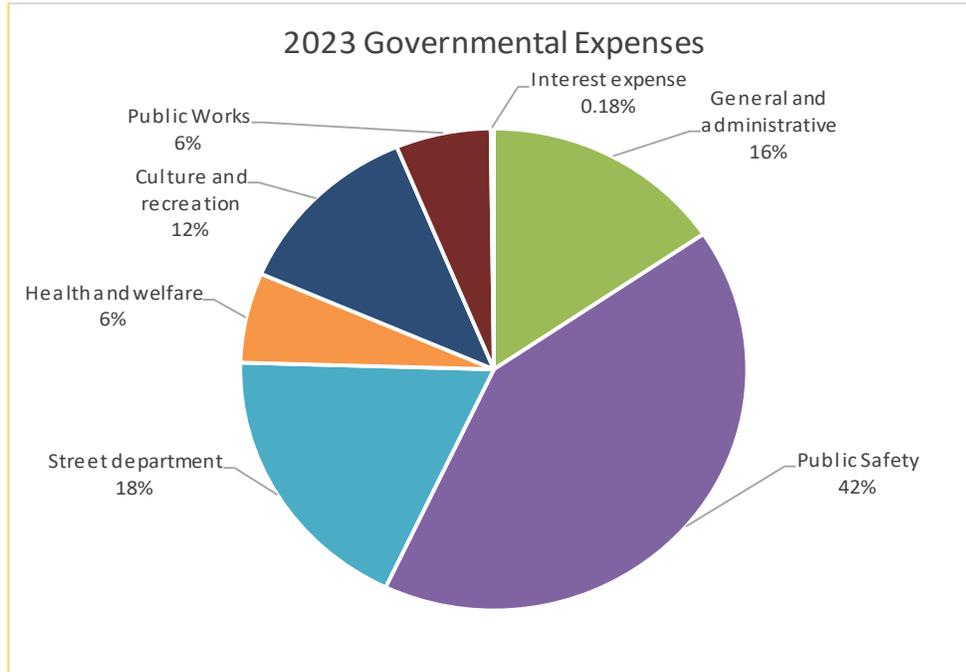


The chart below compares governmental revenues of the current year to the prior year.



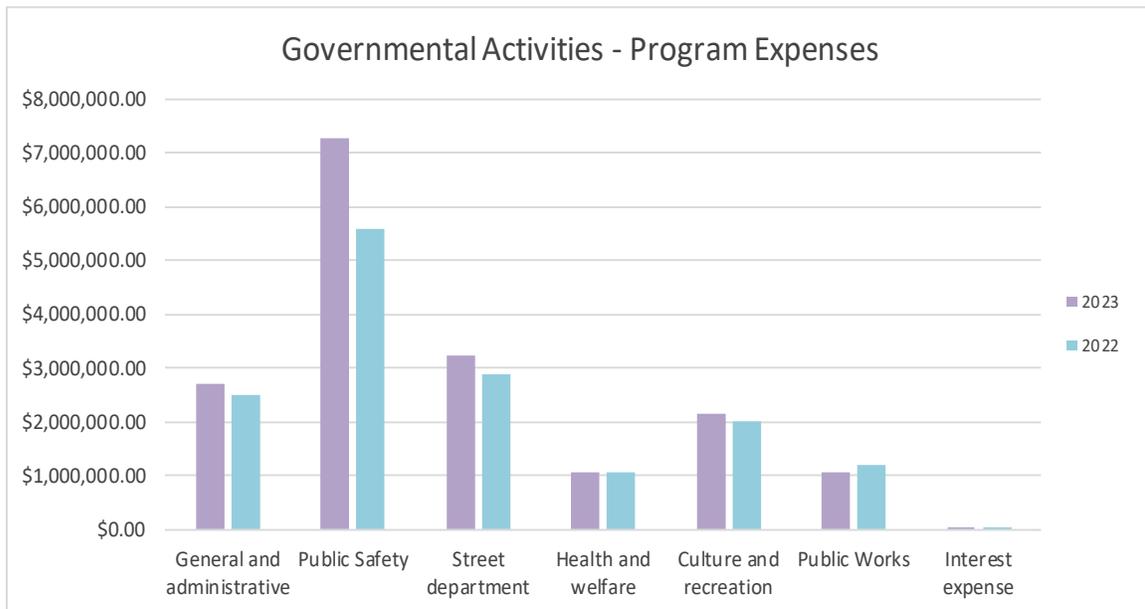
**City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2023**

The following chart displays the various types of governmental activity expenses and their respective percentage of total governmental expense received as of September 30, 2023:



The City's largest program expenses during the current year were public safety and street department, which are 42% and 18% of the total governmental-type program expense in the current year, respectively.

The chart below compares program expenses of the current year to the prior year.



City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2023

THE CITY'S FUNDS

Governmental funds – The focus of the City of Minden's governmental funds is to provide information on near-term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the City of Minden's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds (as presented in the balance sheet on page 28) reported a combined fund balance of \$11.8 million, increasing by \$.2 million.

As previously mentioned, City revenues increased \$1.7 million from the prior year. Sales tax, STEP traffic ticket program and video poker revenue increased \$.6 million, \$.3 million and \$.2 million, respectively, and intergovernmental revenues increased by \$.4 million due to grants from the Airport Improvement Program received this year. The City of Minden is looking for new ways to continue bringing in revenue in order to ensure reserve funds will be readily available when needed.

City expenditures increased from \$15.5 million to \$17.9 million. This year part of the increase in expenditures was due to increased hiring, training and purchases in the Police and Fire departments. New Chiefs were elected January 2023, and worked to get all emergency response employees trained to serve the City at the best of their abilities, recruited employees to be fully staffed to serve the community better, and made what they believe were necessary purchases needed for their departments to operate better.

The overall governmental funds reported a deficiency of revenues over expenditures of \$3.9 million, which was funded by transfers from the Utility proprietary fund.

The General fund expenditures exceeded its revenues by \$12.4 million. This deficit was funded primarily by transfers of \$5.8 million from the Utility fund, \$3.6 million from the surplus in the Sales Tax fund, \$2.4 million from the Sales Tax Sewerage fund and \$.4 million from the STEP Program.

The Sales Tax fund revenues exceeded its expenditures by \$4.0 million. This excess was a result of increased sales tax for the current year.

The Sewerage Sales Tax fund revenues exceeded its expenditures by \$4 million. This excess was a result of increased sales tax for the current year.

Proprietary funds – The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Sewer Plant Sales Tax fund transferred in approximately \$1.9 million to the Utility fund. Those resources are restricted to assist funding the costs of sewerage activities.

The Utility fund transferred approximately \$5.8 million to the General fund.

City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the City Council amended the budget three times. The amendments were made to decrease the overall revenue and also decrease expenditures in different departments. Actual expenditures were \$0.6 million more than budgeted at year end, but no additional budget amendment is necessary.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of September 30, 2023, the City had \$38.8 million invested in capital assets including police and fire equipment, buildings, park facilities, water, sewer and electric lines. This amount represents a decrease of approximately \$1.1 million in investments in capital assets.

City of Minden's Capital Assets at Year-end

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | 2,040,529 | \$ 2,018,529 | \$ 322,342 | \$ 322,342 | \$ 2,362,871 | \$ 2,340,871 |
| Construction in progress | 738,280 | 128,766 | 78,033 | 45,611 | 816,313 | 174,377 |
| Infrastructure | 7,661,127 | 7,661,127 | - | - | 7,661,127 | 7,661,127 |
| Buildings | 17,704,503 | 17,704,503 | 17,281,667 | 17,281,667 | 34,986,170 | 34,986,170 |
| Land improvements other than buildings | 11,091,970 | 10,838,022 | 36,321,159 | 35,810,509 | 47,413,129 | 46,648,531 |
| Equipment | 9,154,817 | 8,966,126 | 9,664,447 | 9,634,448 | 18,819,264 | 18,600,574 |
| Leased equipment - intangible asset | 490,862 | 366,653 | 136,154 | 101,577 | 627,016 | 468,230 |
| Total capital assets | <u>48,882,088</u> | <u>47,683,726</u> | <u>63,803,802</u> | <u>63,196,154</u> | <u>112,685,890</u> | <u>110,879,880</u> |
| Accumulated depreciation/amortization | (25,125,992) | (23,678,014) | (48,769,999) | (47,348,548) | (73,895,991) | (71,026,562) |
| Net capital assets | <u>\$23,756,096</u> | <u>\$ 24,005,712</u> | <u>\$15,033,803</u> | <u>\$ 15,847,606</u> | <u>\$ 38,789,899</u> | <u>\$ 39,853,318</u> |

Major construction projects undertaken by the City include the following:

- Airport Obstruction Removal Runway
- Airport Parallel Taxiway North End

Only bridges owned by the City are capitalized as infrastructure. The City has elected to report its system of streets under the modified approach. Neither their historical cost nor related depreciation has been reported in the financial statements. There were no significant changes in the assessed condition of infrastructure assets eligible under the modified approach. The current assessed condition of roads is comparative with the condition level the City has established.

Debt

At the end of the fiscal year, the City had \$1.6 million in debt outstanding versus \$1.9 million last year. The outstanding debt consisted of:

City of Minden
Management's Discussion and Analysis (MD&A)
September 30, 2023

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------|-------------------------|-------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Notes Payable | \$ 484,956 | \$ 582,044 | \$ 774,770 | \$ 989,206 | \$ 1,259,726 | \$ 1,571,250 |
| Leased equipment | 305,219 | 271,520 | 85,731 | 79,822 | 390,950 | 351,342 |
| Total Debt | <u>\$ 790,175</u> | <u>\$ 853,564</u> | <u>\$ 860,501</u> | <u>\$ 1,069,028</u> | <u>\$ 1,650,676</u> | <u>\$ 1,922,592</u> |

More detailed information about the City's long-term liabilities is presented in Note 12 to the financial statements.

COMPONENT UNITS

The City has chosen not to include the following component units in the basic financial statements: City Court of Minden and Minden City Marshal. Separate financial statements for each of these component units can be obtained by contacting each component unit.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Budget figures for the new fiscal year are based on efforts to stimulate the economy through the increase of economic development activities. In reference to sales tax collections, a conservative budget proposal was applied. The City will maintain the high service levels for fiscal year 2023/2024 without any major rate and service fee increases in the near future. Personnel expenditures continue to rise.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City Clerk's office at 520 Broadway, Minden, Louisiana.

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

This page intentionally left blank.

CITY OF MINDEN

STATEMENT OF NET POSITION
September 30, 2023

| | | | Statement A |
|---|----------------------------|-----------------------------|--------------------------------|
| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL PRIMARY GOVERNMENT |
| ASSETS | | | |
| Cash and cash equivalents | \$ 7,507,911 | \$ 6,968,764 | \$ 14,476,675 |
| Investments | 3,127,698 | 4,811,396 | 7,939,094 |
| Restricted assets: | | | |
| Cash and cash equivalents | - | 749,233 | 749,233 |
| Investments | - | 193 | 193 |
| Receivables, net | 1,111,005 | 3,294,953 | 4,405,958 |
| Internal balances | 831,344 | (831,344) | - |
| Inventory | 25,422 | 2,176,876 | 2,202,298 |
| Prepaid items | 36,456 | 72,633 | 109,089 |
| Capital assets: | | | |
| Land and construction in progress | 2,778,809 | 400,375 | 3,179,184 |
| Depreciable assets, net of depreciation/ amortization | 20,977,287 | 14,633,428 | 35,610,715 |
| TOTAL ASSETS | 36,395,932 | 32,276,507 | 68,672,439 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to pensions | 2,920,253 | 638,761 | 3,559,014 |
| Deferred outflows related to OPEB | 561,197 | - | 561,197 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 3,481,450 | 638,761 | 4,120,211 |
| LIABILITIES | | | |
| Accounts and other payables | 811,205 | 1,675,999 | 2,487,204 |
| Interest payable | 3,071 | 21,684 | 24,755 |
| Deposits payable from restricted assets | - | 827,413 | 827,413 |
| Unearned revenue | - | 3,905,084 | 3,905,084 |
| Noncurrent liabilities: | | | |
| Due within one year: Bonds, notes, leases, OPEB and compensated absences | 834,917 | 433,253 | 1,268,170 |
| Due in more than one year | | | |
| Bonds, notes, leases, compensated absences | 821,122 | 614,229 | 1,435,351 |
| OPEB liability | 5,868,082 | - | 5,868,082 |
| Net pension liability | 10,403,748 | 3,491,796 | 13,895,544 |
| TOTAL LIABILITIES | 18,742,145 | 10,969,458 | 29,711,603 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to pensions | 644,433 | 215,901 | 860,334 |
| Deferred inflows related to OPEB | 3,921,927 | - | 3,921,927 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 4,566,360 | 215,901 | 4,782,261 |
| NET POSITION | | | |
| Net investment in capital assets | 22,929,828 | 14,173,302 | 37,103,130 |
| Restricted for: | | | |
| Sewerage and recreational facilities related debt service | 5,660,279 | - | 5,660,279 |
| Economic development | 776,652 | - | 776,652 |
| Public safety | 93,687 | - | 93,687 |
| Unrestricted | (12,891,569) | 7,556,607 | (5,334,962) |
| TOTAL NET POSITION | \$ 16,568,877 | \$ 21,729,909 | \$ 38,298,786 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

| FUNCTIONS/PROGRAMS | EXPENSES | PROGRAM REVENUES | | |
|---------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
| | | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS |
| <i>Governmental activities:</i> | | | | |
| General and administrative | \$ 2,722,666 | \$ 208,148 | \$ 3,700 | \$ - |
| Police department | 5,078,345 | 905,443 | 300,188 | - |
| Fire department | 2,209,685 | - | 84,136 | - |
| Street department | 3,237,516 | - | 23,010 | 16,000 |
| Sanitation and health | 1,060,530 | 1,067,132 | - | - |
| Parks and recreation | 2,149,954 | 99,430 | 165,233 | - |
| Public works | 1,066,545 | 380,389 | 1,400 | 402,404 |
| Interest expense | 32,359 | - | - | - |
| Total Governmental Activities | 17,557,600 | 2,660,542 | 577,667 | 418,404 |
| <i>Business-type activities:</i> | | | | |
| Water activities | 2,094,567 | 3,005,510 | - | - |
| Sewer activities | 2,368,164 | 1,904,731 | - | 35,000 |
| Electric activities | 15,684,441 | 18,892,914 | - | - |
| Other | 1,468,362 | 456,717 | - | - |
| Total Business-Type Activities | 21,615,534 | 24,259,872 | - | 35,000 |
| Total Primary Government | \$ 39,173,134 | \$ 26,920,414 | \$ 577,667 | \$ 453,404 |

General Revenues and transfers:

General revenues:

Property taxes levied for general purposes

Sales and use tax revenue

Franchise taxes

Licenses and permits

Grants and contributions not restricted to a specific program

Earnings on investments

Miscellaneous

Transfers

Total general revenues and transfers

Changes in net position

Net position - beginning

Net position - ending

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement B

| PRIMARY GOVERNMENT | | |
|---|-------------------------------------|----------------------|
| NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION | | |
| Governmental Activities | Business-Type Activities | TOTAL |
| \$ (2,510,818) | \$ - | \$ (2,510,818) |
| (3,872,714) | - | (3,872,714) |
| (2,125,549) | - | (2,125,549) |
| (3,198,506) | - | (3,198,506) |
| 6,602 | - | 6,602 |
| (1,885,291) | - | (1,885,291) |
| (282,352) | - | (282,352) |
| (32,359) | - | (32,359) |
| <u>(13,900,987)</u> | <u>-</u> | <u>(13,900,987)</u> |
| - | 910,943 | 910,943 |
| - | (428,433) | (428,433) |
| - | 3,208,473 | 3,208,473 |
| <u>-</u> | <u>(1,011,645)</u> | <u>(1,011,645)</u> |
| <u>-</u> | <u>2,679,338</u> | <u>2,679,338</u> |
| <u>(13,900,987)</u> | <u>2,679,338</u> | <u>(11,221,649)</u> |
| 513,380 | - | 513,380 |
| 8,160,415 | - | 8,160,415 |
| 363,313 | - | 363,313 |
| 667,210 | - | 667,210 |
| 1,550 | 473,969 | 475,519 |
| 139,936 | 259,683 | 399,619 |
| 592,329 | 419,271 | 1,011,600 |
| <u>3,912,450</u> | <u>(3,912,450)</u> | <u>-</u> |
| <u>14,350,583</u> | <u>(2,759,527)</u> | <u>11,591,056</u> |
| 449,596 | (80,189) | 369,407 |
| <u>16,119,281</u> | <u>21,810,098</u> | <u>37,929,379</u> |
| <u>\$ 16,568,877</u> | <u>\$ 21,729,909</u> | <u>\$ 38,298,786</u> |

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS:

FUND FINANCIAL STATEMENTS (FFS)

CITY OF MINDEN

GOVERNMENTAL FUNDS

Balance Sheet

September 30, 2023

Statement C

| | SPECIAL REVENUE | | | NONMAJOR GOVERNMENTAL | TOTAL |
|--|---------------------|---------------------|-----------------------|--------------------------|----------------------|
| | GENERAL | SALES TAX | SEWERAGE SALES TAX | | |
| ASSETS: | | | | | |
| Cash and cash equivalents | \$ 9,773 | \$ 4,009,016 | \$ 2,319,165 | \$ 1,169,957 | \$ 7,507,911 |
| Investments | 695,599 | 186,234 | 2,245,865 | - | 3,127,698 |
| Receivables | 375,297 | 331,231 | 331,231 | 73,246 | 1,111,005 |
| Interfund receivables | 1,132,119 | 6,489 | 764,018 | - | 1,902,626 |
| Inventory | 25,422 | - | - | - | 25,422 |
| TOTAL ASSETS | 2,238,210 | 4,532,970 | 5,660,279 | 1,243,203 | 13,674,662 |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES: | | | | | |
| Accounts and other payables | 779,044 | - | - | 32,161 | 811,205 |
| Interfund payables | 692,797 | 299,750 | - | 78,735 | 1,071,282 |
| TOTAL LIABILITIES | 1,471,841 | 299,750 | - | 110,896 | 1,882,487 |
| FUND BALANCES: | | | | | |
| Nonspendable | 25,422 | - | - | - | 25,422 |
| Restricted | - | - | 5,660,279 | 870,339 | 6,530,618 |
| Assigned | - | 4,233,220 | - | 261,968 | 4,495,188 |
| Unassigned | 740,947 | - | - | - | 740,947 |
| TOTAL FUND BALANCES | 766,369 | 4,233,220 | 5,660,279 | 1,132,307 | 11,792,175 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 2,238,210 | \$ 4,532,970 | \$ 5,660,279 | \$ 1,243,203 | \$ 13,674,662 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2023**

Statement D

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds \$ 11,792,175

The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

| | | |
|--------------------------|---------------------|------------|
| Costs of capital assets | \$ 48,882,088 | |
| Accumulated depreciation | <u>(25,125,992)</u> | |
| | | 23,756,096 |

Other assets used in governmental activities that are not financial resources and, therefore are not reported in the fund financial statements

| | | |
|----------------|--|--------|
| Prepaid assets | | 36,456 |
|----------------|--|--------|

Deferred outflows of resources are not available to pay current period expenditures and deferred inflows of resources are not due and payable in the current period, therefore, neither are reported in the governmental funds.

| | | |
|---------------------------------------|--------------------|-------------|
| Deferred outflows related to pensions | 2,920,253 | |
| Deferred outflows related to OPEB | 561,197 | |
| Deferred inflows related to pensions | (644,433) | |
| Deferred inflows related to OPEB | <u>(3,921,927)</u> | |
| | | (1,084,910) |

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Balances at September 30, 2023 are:

| | | |
|------------------------------|------------------|---------------------|
| Accrued interest payable | 3,071 | |
| Leases payable | 305,219 | |
| Notes payable | 484,956 | |
| Compensated absences payable | 579,547 | |
| Net pension liability | 10,403,748 | |
| OPEB liability | <u>6,154,399</u> | |
| | | <u>(17,930,940)</u> |

| | | |
|--|--|-----------------------------|
| Net position - governmental activities | | <u><u>\$ 16,568,877</u></u> |
|--|--|-----------------------------|

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended September 30, 2023

Statement E

| | SPECIAL REVENUE | | | | TOTAL |
|--|-----------------|--------------|-----------------------|--------------------------|---------------|
| | GENERAL | SALES TAX | SEWERAGE SALES TAX | NONMAJOR GOVERNMENTAL | |
| REVENUES | | | | | |
| Taxes: | | | | | |
| Ad valorem | \$ 513,380 | \$ - | \$ - | \$ - | \$ 513,380 |
| Sales and use | - | 4,001,018 | 3,995,855 | 163,542 | 8,160,415 |
| Other taxes, penalties, and interest | 759,519 | - | - | - | 759,519 |
| Licenses and permits | 781,242 | - | - | - | 781,242 |
| Intergovernmental revenues | 1,044,990 | - | - | - | 1,044,990 |
| Fees, charges and commissions for services | 1,648,001 | - | - | - | 1,648,001 |
| Use of money and property | 26,202 | 36,073 | 19,779 | 5,321 | 87,375 |
| Fines and forfeitures | 95,198 | - | - | 753,600 | 848,798 |
| Miscellaneous revenues | 199,865 | - | 52,421 | 240 | 252,526 |
| TOTAL REVENUES | 5,068,397 | 4,037,091 | 4,068,055 | 922,703 | 14,096,246 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General and administrative | 4,118,509 | 59,172 | 53,779 | 22,425 | 4,253,885 |
| Police department | 4,369,816 | - | - | 336,399 | 4,706,215 |
| Fire department | 2,137,004 | - | - | - | 2,137,004 |
| Street department | 3,131,846 | - | - | - | 3,131,846 |
| Sanitation and health | 112,625 | - | - | - | 112,625 |
| Parks and recreation | 1,882,508 | - | - | - | 1,882,508 |
| Public works | 504,844 | - | - | - | 504,844 |
| Capital outlay | 1,227,926 | - | - | - | 1,227,926 |
| TOTAL EXPENDITURES | 17,485,078 | 59,172 | 53,779 | 358,824 | 17,956,853 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | (12,416,681) | 3,977,919 | 4,014,276 | 563,879 | (3,860,607) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 12,237,679 | - | - | - | 12,237,679 |
| Transfers out | - | (3,597,000) | (4,293,879) | (434,350) | (8,325,229) |
| Leases (as lessee) | 148,773 | - | - | - | 148,773 |
| TOTAL OTHER FINANCING SOURCES (USES) | 12,386,452 | (3,597,000) | (4,293,879) | (434,350) | 4,061,223 |
| Net Change in Fund Balances | (30,229) | 380,919 | (279,603) | 129,529 | 200,616 |
| FUND BALANCES - BEGINNING | 796,598 | 3,852,301 | 5,939,882 | 1,002,778 | 11,591,559 |
| FUND BALANCES - ENDING | \$ 766,369 | \$ 4,233,220 | \$ 5,660,279 | \$ 1,132,307 | \$ 11,792,175 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

**GOVERNMENTAL FUNDS
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended September 30, 2023**

Statement F

Amounts reported for governmental activities in the Statement of Activities are different because:

| | | |
|--|----|---------|
| Total net change in fund balances - governmental funds | \$ | 200,616 |
|--|----|---------|

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:

| | | |
|-----------------------------------|--------------------|-----------|
| Capital outlays | \$ 1,227,926 | |
| Depreciation/amortization expense | <u>(1,476,042)</u> | (248,116) |

The Statement of Activities reflects the effect of the disposition of capital assets during the year.

| | | |
|--|--|---------|
| The cost less the depreciation (net value) of the items disposed of during the year are not reflected in the fund balance. | | (1,500) |
|--|--|---------|

The recognition of pension and OPEB expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service.

| | | |
|---|--|---------|
| Pension expenditures in the governmental funds are the amounts actually paid. | | 552,825 |
|---|--|---------|

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

| | | |
|--|--|---------|
| | | 212,162 |
|--|--|---------|

In the Statement of Activities, certain operating expenses - compensated absences (vacation leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

| | | |
|--|--|-----------|
| | | (117,618) |
|--|--|-----------|

Debt proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities.

| | | |
|--|--|------------------|
| | | <u>(148,773)</u> |
|--|--|------------------|

Change in net position of governmental activities

| | | |
|--|----|-----------------------|
| | \$ | <u><u>449,596</u></u> |
|--|----|-----------------------|

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

PROPRIETARY FUND TYPE - ENTERPRISE FUND
Statement of Net Position
September 30, 2023

| | Statement G |
|---|-------------------------|
| | UTILITY FUND |
| | <hr/> |
| ASSETS | |
| CURRENT ASSETS: | |
| Cash and cash equivalents | \$ 6,968,764 |
| Investments | 4,811,396 |
| Restricted assets: | |
| Cash and cash equivalents - customer deposits | 749,233 |
| Investments | 193 |
| Receivables, net | 3,294,953 |
| Interfund receivables | 115,345 |
| Inventory | 2,176,876 |
| Prepaid items | 72,633 |
| | <hr/> |
| Total current assets | 18,189,393 |
| | <hr/> |
| NONCURRENT ASSETS: | |
| Capital Assets: | |
| Land and construction in progress | 400,375 |
| Depreciable assets, net of depreciation | 14,633,428 |
| | <hr/> |
| Total noncurrent assets | 15,033,803 |
| | <hr/> |
| TOTAL ASSETS | 33,223,196 |
| | <hr/> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflow related to pensions | 638,761 |
| | <hr/> |
| Total deferred outflows of resources | 638,761 |
| | <hr/> |
| LIABILITIES | |
| CURRENT LIABILITIES : | |
| Accounts and other payables | 1,675,999 |
| Interfund payables | 946,689 |
| Interest payable | 21,684 |
| Unearned revenue | 3,905,084 |
| Customer deposits payable - restricted assets | 827,413 |
| Compensated absences | 179,194 |
| Note obligations | 221,857 |
| Lease obligations | 32,202 |
| | <hr/> |
| Total current liabilities | 7,810,122 |
| | <hr/> |
| NONCURRENT LIABILITIES: | |
| Compensated absences | 7,787 |
| Note obligations | 552,913 |
| Lease obligations | 53,529 |
| Net pension liability | 3,491,796 |
| | <hr/> |
| Total noncurrent liabilities | 4,106,025 |
| | <hr/> |
| TOTAL LIABILITIES | 11,916,147 |
| | <hr/> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflow related to pensions | 215,901 |
| | <hr/> |
| Total deferred inflows of resources | 215,901 |
| | <hr/> |
| NET POSITION | |
| Net investment in capital assets | 14,173,302 |
| Unrestricted | 7,556,607 |
| | <hr/> |
| TOTAL NET POSITION | \$ 21,729,909 |
| | <hr/> <hr/> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

PROPRIETARY FUND TYPE - ENTERPRISE FUND
Statement of Revenues, Expenses,
and Changes in Fund Net Position
For the Year Ended September 30, 2023

| | Statement H |
|--|-------------------------|
| | UTILITY FUND |
| | |
| OPERATING REVENUES | |
| Charges for services: | |
| Electric | \$ 18,892,914 |
| Sewerage | 1,904,731 |
| Water | 3,005,510 |
| Penalties/service charges | 456,717 |
| Bad debt expense | (104,776) |
| Other operating revenue | 419,271 |
| | 419,271 |
| Total operating revenues | 24,574,367 |
| OPERATING EXPENSES | |
| Purchase of power | 12,736,712 |
| Personnel services | 2,619,227 |
| Materials and supplies | 526,338 |
| Insurance claims and expenses | 867,517 |
| Repairs and maintenance | 1,803,870 |
| Other services and charges | 1,498,818 |
| Depreciation/amortization | 1,421,451 |
| | 1,421,451 |
| Total operating expenses | 21,473,933 |
| OPERATING INCOME (LOSS) | 3,100,434 |
| NONOPERATING REVENUES/EXPENSES | |
| Intergovernmental revenues | 508,969 |
| Interest income | 259,683 |
| Interest expense & other charges | (36,825) |
| | (36,825) |
| Total nonoperating revenues (expenses) | 731,827 |
| Income (Loss) before capital contributions and transfers | 3,832,261 |
| CAPITAL CONTRIBUTIONS AND TRANSFERS | |
| Transfers in | 1,914,606 |
| Transfers out | (5,827,056) |
| | (5,827,056) |
| Total capital contributions and transfers | (3,912,450) |
| CHANGE IN NET POSITION | (80,189) |
| NET POSITION - BEGINNING | 21,810,098 |
| NET POSITION (Deficit) - ENDING | \$ 21,729,909 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

**PROPRIETARY FUND TYPE - ENTERPRISE FUND
Statement of Cash Flows
For the Year Ended September 30, 2023**

| | Statement I |
|---|-------------------------|
| | UTILITY FUND |
| CASH FLOW (USES) FROM OPERATING ACTIVITIES | |
| Receipts from customers | \$ 24,630,870 |
| Receipts from other operating activities | 419,271 |
| Payments to employees | (2,813,661) |
| Payments to others | (18,064,031) |
| | 4,172,449 |
| CASH FLOW (USES) FROM INVESTING ACTIVITIES | |
| Earnings on investments | 259,683 |
| | 259,683 |
| CASH FLOW (USES) FROM NONCAPITAL FINANCING ACTIVITIES | |
| Grants and contributions | 2,224,527 |
| Transfers in | 2,614,205 |
| Transfers out | (5,769,116) |
| | (930,384) |
| CASH FLOW (USES) FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Acquisition of capital assets | (573,071) |
| Principal payment notes payable | (243,104) |
| Interest & penalties paid on debt | (146,866) |
| | (963,041) |
| Net increase (decrease) in cash and cash equivalents | 2,538,707 |
| CASH AND CASH EQUIVALENTS - BEGINNING | 5,179,290 |
| CASH AND CASH EQUIVALENTS - ENDING | 7,717,997 |
| RECONCILIATION TO BALANCE SHEET | |
| Cash | 6,968,764 |
| Restricted assets - cash | 749,233 |
| | \$ 7,717,997 |

(CONTINUED)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

PROPRIETARY FUND TYPE - ENTERPRISE FUND
Statement of Cash Flows
For the Year Ended September 30, 2023

Statement I

UTILITY
FUND

RECONCILIATION OF OPERATING INCOME (LOSS) TO
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

| | |
|---|---------------------|
| Operating income (loss) | \$ 3,100,434 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | |
| Depreciation/amortization | 1,421,451 |
| Loss on disposal of capital assets | |
| (Increase) decrease in operating accounts receivable | 454,969 |
| (Increase) decrease in inventory | (458,426) |
| (Increase) decrease in deferred outflows | 436,983 |
| Increase (decrease) in operating accounts and other payables | (139,043) |
| Increase (decrease) in compensated absences | (47,092) |
| Increase (decrease) in liabilities payable from restricted assets | 20,805 |
| Increase (decrease) in deferred inflows | 168,915 |
| Increase (decrease) in net pension liability | (786,547) |
| Net cash provided by (used for) operating activities | <u>\$ 4,172,449</u> |

(CONCLUDED)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CITY OF MINDEN

FIDUCIARY FUNDS
Statement of Fiduciary Net Position
September 30, 2023

Statement J

| | PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUND 3/31/2023 | CUSTODIAL FUND POLICE BOND FUND |
|----------------------------------|--|--|
| | <u> </u> | <u> </u> |
| ASSETS | | |
| Cash and cash equivalents | \$ 28,589 | \$ 280,138 |
| Receivables - refund | 30,096 | - |
| Receivables - plan sponsor | 61,084 | - |
| | <u> </u> | <u> </u> |
| Total assets | <u>119,769</u> | <u>280,138</u> |
| LIABILITIES | | |
| Claims payable | 119,769 | - |
| Claims incurred but not reported | 291,984 | - |
| Due to local governments | - | 89,405 |
| | <u> </u> | <u> </u> |
| Total liabilities | <u>411,753</u> | <u>89,405</u> |
| NET POSITION | | |
| Restricted for: | | |
| Employee benefits | (291,984) | - |
| Bond return | - | 190,733 |
| | <u> </u> | <u> </u> |
| Total net position | <u>\$ (291,984)</u> | <u>\$ 190,733</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

INDEX

| | <u>Page</u> |
|--|-------------|
| NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | 39 |
| A. REPORTING ENTITY | 39 |
| B. BASIC FINANCIAL STATEMENTS | 40 |
| C. FUNDS..... | 40 |
| D. BASIS OF ACCOUNTING | 42 |
| E. DEPOSITS AND INVESTMENTS..... | 43 |
| F. RECEIVABLES..... | 44 |
| G. ELIMINATION AND RECLASSIFICATION | 44 |
| H. INVENTORIES AND PREPAID ITEMS | 44 |
| I. CAPITAL ASSETS | 45 |
| J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES | 45 |
| K. COMPENSATED ABSENCES..... | 46 |
| L. LEASE LIABILITY..... | 46 |
| M. LONG-TERM OBLIGATIONS..... | 46 |
| N. DEFINING OPERATING REVENUES AND EXPENSES | 47 |
| O. RESTRICTED NET POSITION..... | 47 |
| P. FUND EQUITY OF FUND FINANCIAL STATEMENTS..... | 47 |
| Q. ESTIMATES..... | 48 |
| R. PENSION PLANS | 48 |
| NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY | 48 |
| NOTE 3 - DEPOSITS AND INVESTMENTS..... | 49 |
| NOTE 4 - AD VALOREM TAXES | 51 |
| NOTE 5 - SALES TAXES..... | 51 |
| NOTE 6 - RECEIVABLES..... | 53 |
| NOTE 7 - INTERFUND TRANSACTIONS/BALANCES..... | 53 |
| NOTE 8 - CAPITAL ASSETS | 54 |
| NOTE 9 - ACCOUNTS AND OTHER PAYABLES..... | 55 |
| NOTE 10 - PENSION PLANS | 56 |
| NOTE 11 - OTHER POST- EMPLOYMENT BENEFITS | 65 |
| NOTE 12 - LONG-TERM DEBT..... | 68 |
| NOTE 13 - ON-BEHALF SUPPLEMENTAL PAY | 70 |
| NOTE 14 - CONTRACTUAL SERVICE AGREEMENT..... | 70 |
| NOTE 15 - JOINTLY GOVERNED ORGANIZATION..... | 70 |
| NOTE 16 - LITIGATIONS AND CONTINGENCIES | 71 |
| NOTE 17 - RISK MANAGEMENT | 71 |
| NOTE 18 - TAX ABATEMENTS..... | 71 |
| NOTE 19 - FUND BALANCE CLASSIFICATION DETAILS | 71 |
| NOTE 20 - NEW GASB STANDARD | 72 |
| NOTE 21 - SUBSEQUENT EVENT | 72 |

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Minden, Louisiana (the City) was incorporated in 1928 under the provisions of Act No. 226 of the 1928 Special Acts of Louisiana Legislature. The City is located in the Parish of Webster in the northwest corner of the State of Louisiana. Elected officials of the City of Minden are a mayor, five (5) aldermen, and a chief of police, all of whom serve four-year terms. The affairs of the City are conducted and managed by the mayor and board of aldermen, referred to as "The Council." The City provides a full range of municipal services as authorized by its charter. These include public safety (police and fire), street, water, electric, sewerage, sanitation and health, zoning and general administrative services.

The accompanying financial statements of the City of Minden have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

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. Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are described below.

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

Based on the aforementioned criteria, the City has determined that the following component units are part of the reporting entity:

| <u>Component Unit</u> | <u>Fiscal Year End</u> | <u>Criteria Used</u> |
|-----------------------|----------------------------|--------------------------|
| City Court of Minden | December 31 | 2 and 3 |
| Minden City Marshal | December 31 | 2 and 3 |

The City has chosen not to include the component units listed above in the basic financial statements; however, these are necessary in order for the City to be reporting in conformity with GAAP. Separate financial statements for each of these component units can be obtained by contacting the component unit. If these component units were included, it would be through discrete presentation.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

The financial activity of the Minden Historic Downtown Development District Commission is reported within the City's General fund. The Commission is not reported as a component unit of the City because they do not have separate corporate powers that would distinguish them as being legally separate from the primary government, primarily due to the fact that the Commission does not have the right to buy, sell, lease and mortgage property in its own name. Furthermore, it was determined that the City holds the Commission's corporate powers.

B. Basic Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, streets, sanitation and health, parks and recreation, public works, and general administrative services are classified as governmental activities. The City's electric, water and sewer services are classified as business-type activities.

Government-wide Financial Statements In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

Program revenues Program revenues included in the Statement of Activities include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues

Allocation of indirect expenses The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported separately in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

C. Funds

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

The emphasis in fund financial statements is on the major funds in either the governmental and business-type activities categories. Nonmajor funds by category are summarized into a single column.

The following fund types are used by the City:

1. Governmental funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The City reports the following governmental funds:

- a. 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.
- b. Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.
- c. Debt service funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for principal and interest.
- d. Capital project fund is used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays.

The municipality reports the following major governmental funds:

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

The Sales Tax fund accounts for the receipt and use of the municipality's one percent (1%) sales and use tax under the provisions of the sales and use tax ordinance effective August 1, 1967.

The Sewerage Sales Tax Fund accounts for the receipt and use of the municipality's one percent (1%) sales and use tax under the provisions of the sales and use tax ordinance effective December 1, 1984. By special election held April 15, 2000, the City rededicated and renewed the levy of this one percent (1%) sales and use tax.

2. Proprietary funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

The municipality reports the following major proprietary fund:

The Utility Fund is used to account for electric, water and sewer service operations that are financed and operated in a manner similar to private business enterprise. 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 where the governing body has decided the periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

3. Fiduciary funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City programs. Fiduciary reporting focus is on net position and changes in net position and are reported using the accrual basis of accounting. The City reports the following fiduciary funds:

- a. Pension (and Other Employee Benefit) Trust Fund is used to report resources and activities when the City is acting as a trustee for individuals. The Pension Trust Fund is used to account for medical, dental, vision, life and accidental death benefits covering substantially all employees.
- b. Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds. The custodial fund includes the Police Bond fund which accounts for fines and bonds held by the City for individuals and other governments.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other revenues are recognized when earned, and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Revenues from expenditure-driven grants are considered to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable. Capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

Revenues

- Ad valorem taxes (property) are recorded in the year they are assessed. Property taxes are assessed on a calendar-year basis and become due on the date November 15 of each year and become delinquent on December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.
- Sales taxes are recognized when received by the City's collections agent, the Webster Parish Sales & Use Tax Commission.
- Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 90 days of year end.)
- Fines, forfeitures, licenses and permits are considered measurable and available when they are collected.
- Interest income on investments is recorded when earned and the income is available.
- Substantially all other revenue items are recorded when they are considered to be measurable and available to the City.

Other Financing Sources (Uses)

Sales of fixed assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

E. Deposits and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits, those investments with original maturities of 90 days or less. Under state law, the City may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statements of cash flows, cash and cash equivalents include cash, demand deposits, and certificates of deposit with an original maturity of less than 90 days. Cash and cash equivalents are stated at cost.

Louisiana Revised Statutes and the City's investment policy govern the types of allowable securities to be purchased by the municipality. The City of Minden is authorized to invest in the following types of investments:

- 1) Direct U.S. Treasury obligations, the principal and interest of which are fully guaranteed by the U.S. government.
- 2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the U.S.
- 3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities which are federally sponsored.
- 4) Bonds, debentures, notes or other evidence of indebtedness issued by the State of Louisiana or any of its political subdivisions.
- 5) Collateralized mortgage obligations which have not been stripped into interest only or principal only obligations
- 6) Time certificates of deposit of state banks organized under the laws of Louisiana, or national banks having their principal offices in the state of Louisiana.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Long-term investments, those with original maturities greater than one (1) year, are valued at the last reported sales price at current exchange rates.

F. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, ad valorem taxes, franchise taxes, and grants. Business-type activities report utilities as their major receivable. An allowance for uncollectible receivables is maintained, however, if amounts become uncollectible, in the opinion of management, they are charged to operations at that time.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, grants and other intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned and only if paid within 30 days, when considered both measurable and available.

G. Elimination and Reclassification

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds.” While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City’s utility fund and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

H. Inventories and Prepaid Items

Inventory items are valued using the weighted average method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide financial statements.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

Inventories in each fund are generally composed of the following items:

- General Fund - Gasoline
- Utility Fund - Electric, water and sewer repair and maintenance items

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available (except for intangible right-to-use assets, the measurement is discussed in L.). Donated assets are recorded as capital assets at their acquisition value at the date of donation. The municipality maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land and system of streets, are depreciated using the straight-line method over the following useful lives:

| Description | Estimated <u>Lives</u> |
|-------------------------------------|---------------------------|
| Roads, bridges, and infrastructure | 25-50 years |
| Land improvements | 10-30 years |
| Buildings and building improvements | 10-40 years |
| Furniture and fixtures | 5-15 years |
| Vehicles | 5-10 years |
| Equipment | 5-15 years |

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Infrastructure being reported on includes bridges owned by the City during the current year. Of the remaining infrastructure, neither the historical cost nor related depreciation has historically been reported in the financial statements. The City has elected to report its system of streets under the modified approach as permitted by the Governmental Accounting Standards Board’s Statement 34 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category.

The Statement of Net Position reports the City’s proportionate share of the deferred outflows of resources related to pensions and other post-employment benefits. See Note 10 and Note 11 for more information.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has two items that qualify for reporting in this category. The Statement of Net Position reports the City’s proportionate share of the deferred inflows of resources related to pensions and other post-employment benefits. See Note 10 and Note 11 for more information.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

The governmental funds balance sheet reports unavailable revenues from amounts which are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

K. Compensated Absences

The City's policy regarding vacation time permits full-time employees to accumulate earned but unused vacation leave. The only provision for vested benefits is that municipal employees, with the exception of employees of the police and fire department who are covered by Civil Service requirements, may carry forward no more than the maximum accruable amount for any vacation year. All employees do not have the option of foregoing vacation and being paid in lieu thereof. The entire accrued vacation liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of this debt is the amount that is normally expected to be paid using expendable available financial resources. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The City's policy regarding sick time permits full-time employees to accrue sick leave at the rate of eighty (80) hours per year, effective on the first day of full-time employment. Sick time may be carried over from year to year. Upon retirement, the employee will be reimbursed for fifty (50) percent of his/her accrued sick leave at his/her regular hourly rate of pay. Total reimbursement cannot exceed 500 hours. All sick leave hours used in the two years prior to retirement date will be deducted from the fifty (50) percent accrual prior to reimbursement. There is no provision for reimbursement of accrued sick leave for termination other than retirement. The liability for sick leave accrual is recorded as long-term debt in the government-wide financial statements.

L. Lease Liability

The City of Minden is a lessee for noncancellable leases of vehicles and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial indirect costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

M. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premium and discounts, as well as issuance costs related to prepaid insurance, are deferred and amortized over the life of the bonds using the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at issuance, except for those related to prepaid insurance, which are recorded as prepaids in the Statement of Net Position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payment of principal and interest are reported as debt service expenditures.

N. Defining Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are from charges for electrical, water and sewerage services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

O. Restricted Net Position

For the government-wide Statement of Net Position, net position is reported as restricted if either of the following conditions exists:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Restrictions are imposed by law through constitutional provision or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources when expenses are incurred for purpose for which both restricted and unrestricted net position are available.

The government-wide statement of net position reports \$10,435,702 of restricted net position, of which \$6,436,931 is restricted by enabling legislation.

P. Fund Equity of Fund Financial Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used. In the fund financial statements, fund balances are classified as follows:

- a. Nonspendable fund balance - amounts that are not in a spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories.
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- c. Committed fund balance - amounts constrained to specific purposes determined by the City itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint. The City Council establishes (and modified or rescinds) fund balance commitments by passage of an ordinance or resolution.
- d. Assigned fund balance - amounts that the City intends to use for a specific purpose, intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The City's policy does not address assignment of fund balance. Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

- e. Unassigned fund balance - amounts that are available for any purpose, positive amounts are reported only in the General fund. The City has not adopted a policy to maintain the General fund's unassigned fund balance above a certain minimum level.

The City reduces committed amounts, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The City considers restricted amounts to have been spent when an expenditure has incurred for purposes for which both restricted and unrestricted fund balance are available.

Q. Estimates

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

R. Pension plans

The City is a participating employer in several cost-sharing, multiple employer, defined benefit pension plans as described in Note 10. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plans fiduciary net position have been determined on the accrual basis, which is the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Information

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

- a) The City Clerk prepares a proposed budget and submits same to the Mayor and the Council no later than fifteen days prior to the beginning of each fiscal year.
- b) The public is notified that the proposed budget is available for public inspection. At that time a public hearing is called.
- c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d) 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.
- e) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases or decreases in expenditures resulting from revenues exceeding of failing to meet amounts estimated require the approval of the Council.
- f) All budgetary appropriations lapse at the end of each fiscal year.
- g) Budgets for the General and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts, as originally adopted are amended from time to time by the Council.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

Excess of Expenditures over Appropriations in Individual Funds

The following individual funds had actual expenditures over budgeted expenditures for the year-ended September 30, 2023.

| <u>Fund</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------|---------------|---------------|-----------------|
| General Fund | \$ 16,909,963 | \$ 17,485,078 | \$ (575,115) |
| Sewerage Sales Tax | 4,260,445 | 4,347,658 | (87,213) |

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash and cash equivalents consist of the following at September 30, 2023:

| | |
|-----------------|---------------|
| Petty Cash | \$ 4,181 |
| Demand deposits | 14,627,964 |
| LAMP | 902,490 |
| Total | \$ 15,534,635 |

Deposits

Deposits are stated at cost, which approximates fair market value. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits, may not be returned to it. As of September 30, 2023, the City's had a bank balance, including its fiduciary funds and certificates of deposits, total of \$17,573,332, in which \$16,763,339 was exposed to custodial credit risk. Of the amount exposed to custodial credit risk, \$16,763,339 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell 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's policy does not address custodial credit risk.

Interest Rate Risk: The City's policy does not address interest rate risk.

Louisiana Asset Management Pool, Inc. (LAMP)

At September 30, 2023, the City had \$902,490 invested in LAMP. Louisiana Asset Management Pool, Inc. (LAMP) is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC.

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 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.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79.

The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAM by Standard & Poor's.

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.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: 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 60 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.

Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130 or contact the LAMP administrative office at 800-249-5267.

Investments

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

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

The City's has the following recurring fair value measurement as of September 30, 2023:

| Description of Investment | Fair Value | Governmental | | Business-Type | | Fair Market | Credit Risk (Moody's) | Interest Rate Risk |
|---------------------------------------|---------------------|---------------------|---------------------|---------------|-----------|-------------|--------------------------|-----------------------|
| | | Activities | Activities | Value | Hierarchy | | | |
| Federal Farm Credit Bonds | \$ 935,812 | \$ 49,160 | \$ 886,652 | Level 1 | Aaa | 0-3 years | | |
| Federal Home Loan Banks Bonds | 1,011,936 | 88,295 | 923,641 | Level 1 | Aaa | 0-3 years | | |
| Federal National Mortgage Association | 163,495 | - | 163,495 | Level 1 | Aaa | 0-3 years | | |
| U.S. Treasury Notes | 604,144 | - | 604,144 | Level 1 | Aaa | 0-3 years | | |
| Municipal Bonds | 1,010,626 | 48,780 | 961,846 | Level 1 | Aa3 | 0-3 years | | |
| Certificates of Deposit | 4,213,274 | 2,941,463 | 1,271,811 | | | | | |
| Total investments | <u>\$ 7,939,287</u> | <u>\$ 3,127,698</u> | <u>\$ 4,811,589</u> | | | | | |

Interest Rate Risk: The City's policy does not address interest rate risk.

Credit Risk: The City's policy does not address credit risk.

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counter party, 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 investment of \$3,726,013 are registered in the City's name held by the trust departments of the financial institutions. Certificates of deposit of \$4,213,274 are held at the local bank in the City's name. The City's policy does not address custodial credit risk.

NOTE 4 - AD VALOREM TAXES The City levies property taxes on real and business property located within the City's boundaries. Property taxes are levied by the City on property values assessed by the Webster Parish Tax Assessor and approved by the state of Louisiana Tax Commission. The Webster Parish Tax Assessor prepares tax statements for the City. Ad valorem taxes were levied in October 2022 with a due date and collection date of December 31, 2022 and a lien date of January 1, 2023.

The following is a summary of authorized and levied property taxes:

| | <u>Maximum Millage</u> | <u>Levied Millage</u> | <u>Expiration Date</u> |
|-------------------------------|------------------------|-----------------------|------------------------|
| General Fund Operations | 5.46 | 5.46 | Statutory |
| Downtown Development District | 2.00 | 2.00 | 2030 |

NOTE 5 - SALES TAXES

1% Sales and Use Tax - The City was authorized to levy and collect one percent (1%) sales and use tax by special election held May 23, 1967.

The revenues derived therefrom were authorized to be used for "the purpose of opening, constructing, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks and bridges: constructing, acquiring, extending, improving, renovating and/or maintaining street lighting facilities, water-works, sewers and sewerage disposal works, garbage collection and waste disposal facilities, police department stations and equipment, public buildings and/or fire department stations and equipment, including fire engines, public parks and recreational facilities, airport facilities, and parking facilities; and purchasing and acquiring the necessary land, equipment and furnishings for the

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

aforesaid public works, building, improvements and facilities, and such tax to be subject to funding into bonds by the City in the manner authorized.”

For the year ended September 30, 2023, the Sales Tax fund made operating transfers to other funds which were used for purposes for which the imposition of the tax was authorized were as follows:

| | |
|--------------|---------------------|
| | <u>General Fund</u> |
| Transfers to | \$3,597,000 |

1% Sales and Use Tax- Sewerage Improvements - The City was authorized to levy and collect one percent (1%) sales and use tax by special election held September 29, 1984.

The revenues derived therefrom were authorized to be used for “the purpose of constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal facilities and fund the proceeds of the tax into bonds to be issued in series from time to time for the purpose of constructing, acquiring and improving sewers and sewerage disposal facilities and the council shall annually budget the amount of said net proceeds of the tax required to pay principal and interest and reserve requirements on all bonds payable from the tax and the amount required for extending, improving, operating and maintaining sewers and sewerage disposal facilities and use the excess over said requirements to pay said bonds in full prior to their stated maturity and when provisions shall have been made for the payment of all said bonds in full the authority to levy the tax shall terminate.”

By a special election held April 15, 2000, the City rededicated and renewed the levy of a one percent (1%) sales and use tax, which originally authorized at an election held on September 29, 1984.

The revenues derived therefrom were authorized to be used for “the purpose of acquiring, constructing, improving, maintaining, equipping and operating sewerage, sewage disposal facilities and recreational facilities, including the acquisition of sites therefore, and authority to fund the sales tax into bonds by the City in the manner authorized.”

For the year ended September 30, 2023 the Sewerage Sales Tax fund made operating transfers to other funds which were used for purposes for which the imposition of the tax was authorized were as follows:

| | | | |
|--------------|---------------------|---------------------|--------------|
| | <u>General Fund</u> | <u>Utility Fund</u> | <u>Total</u> |
| Transfers to | \$2,379,273 | \$1,914,606 | \$4,293,879 |

2% Sales and Use Tax – Minden Economic Development Districts No. 1, No. 2, No. 3, and No. 4 – Effective January 1, 2017, Ordinances No. 1070, 1071, 1072 and 1073 were adopted by the City Council establishing the Minden Economic Development Districts No. 1, No. 2, No. 3, and No. 4. The Districts are considered tax increment financial districts (TIF) whereby a baseline of specific revenue collected in a specific area was determined and any revenues collected in the Districts over and above the baseline should be accounted for in the district. According to Ordinances No. 1078, 1079, 1080 and 1081, dated November 7, 2016, the initial baseline collection was designated zero. The City of Minden levied an additional two (2%) sales tax and 2 % hotel occupancy tax for taxpayers located inside the city limits of Minden and inside on the of the four Development Districts. The full amount of such additional sales tax is designated as the sales tax increments which will be determined and used to finance economic development projects.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

NOTE 6 - RECEIVABLES The following is a summary of receivables at September 30, 2023:

| Class of Receivables | General | Sales Tax | Sewerage Sales Tax | Nonmajor Governmental | Total |
|---------------------------------|-------------------|-------------------|-----------------------|--------------------------|---------------------|
| <u>Governmental Activities:</u> | | | | | |
| Governmental Funds: | | | | | |
| Taxes: | | | | | |
| Sales & use | \$ - | \$ 331,231 | \$ 331,231 | \$ 8,008 | \$ 670,470 |
| Intergovernmental | 217,676 | - | - | 65,238 | 282,914 |
| Other | 157,621 | - | - | - | 157,621 |
| Total Governmental Funds | <u>\$ 375,297</u> | <u>\$ 331,231</u> | <u>\$ 331,231</u> | <u>\$ 73,246</u> | <u>\$ 1,111,005</u> |

| Class of Receivables | Utility Fund |
|--------------------------------------|---------------------|
| <u>Business-type Activities:</u> | |
| Proprietary Funds: | |
| Utility user fees | \$ 3,758,697 |
| Less allowance for doubtful accounts | (463,744) |
| Total Proprietary net receivables | <u>\$ 3,294,953</u> |

Revenues of the Utility Fund, an enterprise fund, are reported net of uncollectable amounts. Total uncollectable amounts related to utility sales in the fiscal year amounted to \$104,776.

NOTE 7 - INTERFUND TRANSACTIONS/BALANCES Individual balances due from/to other funds at September 30, 2023, are as follows:

| Receivable | Payable | | | | Total |
|-------------------------|-------------------|-------------------|--------------------------|-------------------|---------------------|
| | General Fund | Sales Tax | Nonmajor Governmental | Utility Fund | |
| General Fund | \$ - | \$ 299,750 | \$ 78,735 | \$ 753,634 | \$ 1,132,119 |
| Sales Tax Fund | - | - | - | 6,489 | 6,489 |
| Sewerage Sales Tax Fund | 577,452 | - | - | 186,566 | 764,018 |
| Utility Fund | 115,345 | - | - | - | 115,345 |
| Total | <u>\$ 692,797</u> | <u>\$ 299,750</u> | <u>\$ 78,735</u> | <u>\$ 946,689</u> | <u>\$ 2,017,971</u> |

The interfund balances resulted from fund reimbursements and transfers not made before year-end.

Transfers during the year were as follows:

| Transfer In | Transfer Out | | | | Total |
|--------------|---------------------|-----------------------|--------------------------|---------------------|----------------------|
| | Sales Tax | Sewerage Sales Tax | Nonmajor Governmental | Utility Fund | |
| General Fund | \$ 3,597,000 | \$ 2,379,273 | \$ 434,350 | \$ 5,827,056 | \$ 12,237,679 |
| Utility Fund | - | 1,914,606 | - | - | 1,914,606 |
| Total | <u>\$ 3,597,000</u> | <u>\$ 4,293,879</u> | <u>\$ 434,350</u> | <u>\$ 5,827,056</u> | <u>\$ 14,152,285</u> |

The City transferred money from the Sales Tax -Sewerage to cover costs of recreation activities within the General fund, and to cover costs of the sewer system within the Utility fund. The Utility and Sales Tax fund made transfers to supplement costs within the General fund. The STEP fund transferred money to repay costs of program.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

NOTE 8- CAPITAL ASSETS The changes in capital assets for the year ended September 30, 2023 are as follows:

| | Balance Beginning | Additions | Deletions | Balance Ending |
|---|----------------------|---------------------|-----------------|----------------------|
| <u>Governmental activities:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,018,529 | \$ 22,000 | \$ - | \$ 2,040,529 |
| Construction in progress | 128,766 | 609,514 | - | 738,280 |
| Total capital assets, not being depreciated | <u>2,147,295</u> | <u>631,514</u> | <u>-</u> | <u>2,778,809</u> |
| Depreciable/amortizable assets: | | | | |
| Infrastructure | 7,661,127 | - | - | 7,661,127 |
| Buildings | 17,704,503 | - | - | 17,704,503 |
| Land improvements other than buildings | 10,838,022 | 253,948 | - | 11,091,970 |
| Equipment | 8,966,126 | 193,691 | 5,000 | 9,154,817 |
| Leased equipment (intangible asset) | 366,653 | 148,773 | 24,564 | 490,862 |
| Total capital assets, being depreciated/amortized | <u>45,536,431</u> | <u>596,412</u> | <u>29,564</u> | <u>46,103,279</u> |
| Less: accumulated depreciation | | | | |
| Infrastructure | (3,931,389) | (235,018) | - | (4,166,407) |
| Buildings | (8,554,872) | (396,640) | - | (8,951,512) |
| Land improvements other than buildings | (4,006,812) | (424,010) | - | (4,430,822) |
| Equipment | (7,089,808) | (305,300) | 3,500 | (7,391,608) |
| Less: accumulated amortization | | | | |
| Leased equipment | (95,133) | (115,074) | 24,564 | (185,643) |
| Total accumulated depreciation/amortization | <u>(23,678,014)</u> | <u>(1,476,042)</u> | <u>28,064</u> | <u>(25,125,992)</u> |
| Depreciable/amortizable capital assets, net | <u>21,858,417</u> | <u>(879,630)</u> | <u>1,500</u> | <u>20,977,287</u> |
| Total capital assets, net | <u>\$ 24,005,712</u> | <u>\$ (248,116)</u> | <u>\$ 1,500</u> | <u>\$ 23,756,096</u> |

Depreciation/amortization expense was charged to governmental activities as follows:

| | |
|----------------------------|---------------------|
| General and administrative | \$ 155,831 |
| Police department | 124,363 |
| Fire department | 45,459 |
| Street department | 261,809 |
| Sanitation and health | 5,430 |
| Parks and recreation | 314,412 |
| Public works | 568,738 |
| Total | <u>\$ 1,476,042</u> |

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

| | Balance Beginning | Additions | Deletions | Ending Balance |
|---|----------------------|---------------------|-------------------|----------------------|
| <u>Business-type activities:</u> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 322,342 | \$ - | \$ - | \$ 322,342 |
| Construction in progress | 45,611 | 543,072 | 510,650 | 78,033 |
| Total capital assets, not being depreciated | <u>367,953</u> | <u>543,072</u> | <u>510,650</u> | <u>400,375</u> |
| Depreciable/amortizable assets: | | | | |
| Buildings | 17,281,667 | - | - | 17,281,667 |
| Land improvements other than buildings | 35,810,509 | 510,650 | - | 36,321,159 |
| Equipment | 9,634,448 | 29,999 | - | 9,664,447 |
| Leased equipment (intangible asset) | 101,577 | 34,577 | - | 136,154 |
| Total capital assets, being depreciated/amortized | <u>62,828,201</u> | <u>575,226</u> | <u>-</u> | <u>63,403,427</u> |
| Less: accumulated depreciation | | | | |
| Buildings | (14,769,169) | (358,070) | - | (15,127,239) |
| Land improvements other than buildings | (24,454,693) | (825,048) | - | (25,279,741) |
| Equipment | (8,102,931) | (209,665) | - | (8,312,596) |
| Less: accumulated amortization | | | | |
| Leased equipment | (21,755) | (28,668) | - | (50,423) |
| Total accumulated depreciation/amortization | <u>(47,348,548)</u> | <u>(1,421,451)</u> | <u>-</u> | <u>(48,769,999)</u> |
| Depreciable/amortizable capital assets, net | <u>15,479,653</u> | <u>(846,225)</u> | <u>-</u> | <u>14,633,428</u> |
| Total capital assets, net | <u>\$ 15,847,606</u> | <u>\$ (303,153)</u> | <u>\$ 510,650</u> | <u>\$ 15,033,803</u> |

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

| | |
|----------|---------------------|
| Water | \$ 387,169 |
| Sewer | 545,207 |
| Electric | 426,737 |
| Other | 62,338 |
| Total | <u>\$ 1,421,451</u> |

NOTE 9 - ACCOUNTS AND OTHER PAYABLES The accounts and other payables at fiscal year ended September 30, 2023 are as follows:

| Class of Payables | Governmental Activities | | Business-type Activities | |
|---------------------------|----------------------------|--------------------------|-----------------------------|--------------------|
| | General | Nonmajor Governmental | Utility Fund | Total |
| Accounts Payable | \$ 504,949 | \$ 32,161 | \$ 1,587,619 | \$2,124,729 |
| Retainage Payable | 36,093 | - | - | 36,093 |
| Customer Deposits Payable | - | - | 827,413 | 827,413 |
| Wages Payable | 238,002 | - | 88,380 | 326,382 |
| Net Total payable | <u>\$ 779,044</u> | <u>\$ 32,161</u> | <u>\$ 2,503,412</u> | <u>\$3,314,617</u> |

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

NOTE 10 - PENSION PLANS

The City is a participating employer in three statewide, public employee retirement systems, Municipal Employees Retirement System (MERS), Municipal Police Employees Retirement System (MPERS), and the Firefighter's Retirement System (FRS). All of these plans have separate boards of trustees and administer cost-sharing, multiple-employer defined benefit pension plans, including classes of employees with different benefits and contributions rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by these systems to the State Legislature. Each plan issues a public report that includes financial statements and required supplementary information. Copies of these reports for MERS, MPERS, and FRS may be obtained at www.mersla.com, www.lampers.org, and www.ffret.com, respectively.

General Information about the Pension Plans

Plan Descriptions/Benefits Provided:

Municipal Employees' Retirement System: MERS provides retirement, disability, and survivor's benefits to employees of all incorporated villages, towns, and cities within the state which do not have their own retirement plan and which elect to become members of the Plan.

Membership in MERS is mandatory for any permanent employee working at least 35 hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the Plan with exceptions as outlined in the statutes. Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-11:1785.

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he/she has been a member of MERS and has 25 years of creditable service at any age or has 10 years of creditable service and is age 60. A member is eligible for early retirement after he has been a member of MERS for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three percent of the member's monthly average final compensation multiplied by his years of creditable service.

Membership Commencing January 1, 2013: A member is eligible for regular retirement after he/she has been a member of MERS and has 7 years of creditable service at age 67, 10 years of creditable service at age 62, or has 30 years of creditable service at age 55. A member is eligible for early retirement after he/she has been a member of the Plan for 25 years of creditable service at any age, with an actuarially reduced benefit. Benefit rates are three percent of the member's final average compensation multiplied by his/her years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. Any city marshal or deputy city marshal receives an additional regular retirement benefit.

Upon death of an active contributing member with five or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Cost of Living Adjustments

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

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

benefit, if retirement commenced after that date.

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his/her account balance in that fund, or any other method of payment if approved by the board of trustees. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the Plan.

Disability Benefits

A member shall be eligible to retire and receive a disability benefit if he/she has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the state medical disability board. Upon retirement caused by disability, a member shall be paid a disability benefit equal to the lesser of forty-five percent of his/her final average compensation or three percent of his/her final average compensation multiplied by his/her years of creditable service whichever is greater or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

Municipal Police Employees' Retirement System: MPERS provides retirement, disability, and survivor's benefits to municipal police officers.

Membership in MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children.

Membership Commencing January 1, 2013: A member's eligibility for regular retirement, early retirement, disability and survivor benefits are based on hazardous duty and nonhazardous sub duty plans. Under the hazardous duty sub-plan, a member is eligible for regular retirement after he/she has been a member of the Plan and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the non-hazardous duty sub-plan, a member is eligible for regular retirement after he has been a member of the Plan and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub-plans, a member is eligible for early retirement after he has been a member of the Plan for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under hazardous and non-hazardous duty sub-plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the Plan provides for surviving spouses and minor children.

Cost of Living Adjustments

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

Deferred Retirement Option Plan

MPERS members are eligible to elect to enter the deferred retirement option plan (DROP) when he/she is eligible for regular retirement based on the member's plan participation. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership in the retirement plan shall resume and upon later termination, the member shall receive additional retirement benefit based on the additional service.

Initial Benefit Option Plan

In 1999, the State Legislature authorized MPERS to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly benefit for life. Interest is computed on the balance based on the same criteria as DROP.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

Firefighters Retirement System: FRS provides retirement, disability, and survivor's benefits to full-time firefighters.

Membership in FRS is a condition for employment for any full-time firefighters who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana. Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272.

A member is eligible for regular retirement after he has been a member of FRS and has 20 years of creditable service and is age 50, has 12 years creditable service and is age 55, or 25 years of service at any age. Benefit rates are three and one-third percent of average final compensation based on 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. Upon death of an active contributing member, the plan provides for surviving spouses and minor children.

Cost of Living Adjustments

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

Deferred Retirement Option Plan

After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the DROP for up to 36 months. Upon commencement of participation in the DROP, the employee and employer contributions cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership in the retirement plan shall resume. No payments may be made from the DROP account until the participant retires.

Initial Benefit Option Plan

In 1999, the State Legislature authorized FRS to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as a DROP account.

Disability Benefits

A member shall be eligible to retire and receive a disability benefit if he/she has been officially certified as disabled by the state medical disability board. Any member totally disabled from injury received in the line of duty, shall be paid, on a monthly basis, an annual pension of 60% of the average final compensation being received at the time of disability. Any member who has become disabled or incapacitated because of continued illness or as a result of any injury received, even though not in the line of duty, and who has five years of creditable service, but is not eligible for retirement under the provisions of LRS. 11:2256 may apply for retirement under the provisions of LRS 11:2258 and shall be retired on 75% of the retirement salary to which he/she would be entitled under LRS 11:2256 if he/she were otherwise eligible thereunder or 25% of the member's average salary, whichever is greater.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

Employer Contributions

Each year the Louisiana Public Employee Retirement System Actuary Committee approves the contribution rates for employees and employers needed to fund 100% of the annual required contribution for both the current and unfunded portions of the net pension liability as required by state law for each state-sponsored retirement system plan. The City pays 100% of the required annual contribution, as determined by eligible active employee wages, and contributions are funded from the same sources the related salaries are paid.

The contribution requirements of plan members and the City are established and may be amended by state statute. According to state statute, contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City and retirement plans have different fiscal year ends and the following is a synopsis based on the City and plans' fiscal years.

The City's employee and employer contribution rates for fiscal year 2023 are as follows:

| | Oct 1, 2022 to June 30, 2023 | | July 1, 2023 to Sept 30, 2023 | |
|--|------------------------------|----------|-------------------------------|----------|
| | Employee | Employer | Employee | Employer |
| MERS | 10.00% | 29.50% | 10.00% | 29.50% |
| MPERS | | | | |
| Members hired prior to 1/1/2013 | 10.00% | 31.25% | 10.00% | 33.93% |
| Hazardous Duty Members hired after 1/1/2013 | 10.00% | 31.25% | 10.00% | 33.93% |
| Non Hazardous Duty Members hired after 1/1/2013 | 8.00% | 31.25% | 8.00% | 33.93% |
| Member whose earnable compensation is less than poverty guidelines | 7.50% | 33.75% | 7.50% | 36.43% |
| FRS | | | | |
| Members above the poverty line | 10.00% | 33.25% | 10.00% | 33.25% |
| Members below the poverty line | 8.00% | 35.25% | 8.00% | 35.25% |

Contributions to the plans based on the City's and plan's fiscal year are as follows:

| | Employer Contributions | |
|--------------|------------------------------|-------------------------------|
| | City's Fiscal Year | Plan's Fiscal Year |
| | Oct 1, 2022 to Sept 30, 2023 | July 1, 2022 to June 30, 2023 |
| MERS | \$ 1,182,142 | \$ 1,174,105 |
| MPERS | 540,364 | 476,163 |
| FRS | 262,866 | 247,672 |

Non-employer Contributions

MERS receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans, per state statute. The Plan also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income of \$150,990 are used as additional employer contributions and considered support from non-employer contributing entities.

MPERS and FRS receive insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions of \$103,687 for MPERS and \$81,212 for FRS were recognized as revenue during the fiscal year.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

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

At September 30, 2023, the City reported liabilities of \$7,335,706, \$4,749,778 and \$1,810,060 for its proportionate share of the MERS, MPERS, and FRS, respectively, Net Pension Liability (NPL). This liability will be liquidated by the General fund and proprietary fund. The NPL was measured as of June 30, 2023, and the total pension liabilities used to calculate the NPL was determined by actuarial valuations as of that date. The City's proportions of the NPL were based on an allocation method based on employer's contribution to the respective retirement plans during the plan year ended June 30, 2023 as compared to the total of all employers' contributions to the respective retirement plans during the plan year ended 2023.

As of June 30, 2023, the most recent measurement date, the City's proportions and the changes in proportion from the prior measurement date were as follows:

| System | City's Proportion | Change in Proportion |
|--------|-------------------|----------------------|
| MERS | 2.00711% | -0.15203% |
| MPERS | 0.44958% | 0.06069% |
| FRS | 0.27733% | 0.03575% |

For the year ended September 30, 2023 the City recognized a total pension expense for state sponsored plans of \$2,251,369 or \$969,358 for MERS, \$933,881 for MPERS and \$348,130 for FRS. The City reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

Governmental Activities:

| | Deferred Outflows | | | | Deferred Inflows | | | |
|---|-------------------|---------------------|-------------------|---------------------|-------------------|-----------------|-------------------|-------------------|
| | MERS | MPERS | FRS | Total | MERS | MPERS | FRS | Total |
| Differences between expected and actual experience | \$ 2,579 | \$ 334,575 | \$ 56,512 | \$ 393,666 | \$ 35,150 | \$ 1,991 | \$ 62,014 | \$ 99,155 |
| Changes of assumptions | - | 79,259 | 109,526 | 188,785 | - | - | - | - |
| Net difference between projected and actual earnings on pension plan investments | 441,708 | 512,766 | 245,331 | 1,199,805 | - | - | - | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 93,865 | 434,260 | 202,648 | 730,773 | 202,523 | 738 | 342,017 | 545,278 |
| Employer contributions subsequent to the measurement date | 165,021 | 168,406 | 73,797 | 407,224 | - | - | - | - |
| Total | \$ 703,173 | \$ 1,529,266 | \$ 687,814 | \$ 2,920,253 | \$ 237,673 | \$ 2,729 | \$ 404,031 | \$ 644,433 |

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

Business-Type Activities:

| | Deferred Outflows | | | | Deferred Inflows | | | |
|---|-------------------|-------------|-------------|-------------------|-------------------|-------------|-------------|-------------------|
| | MERS | MPERS | FRS | Total | MERS | MPERS | FRS | Total |
| Differences between expected and actual experience | \$ 2,343 | \$ - | \$ - | \$ 2,343 | \$ 31,930 | \$ - | \$ - | \$ 31,930 |
| Changes of assumptions | - | - | - | - | - | - | - | - |
| Net difference between projected and actual earnings on pension plan investments | 401,246 | - | - | 401,246 | - | - | - | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 85,268 | - | - | 85,268 | 183,971 | - | - | 183,971 |
| Employer contributions subsequent to the measurement date | 149,904 | - | - | 149,904 | - | - | - | - |
| Total | \$ 638,761 | \$ - | \$ - | \$ 638,761 | \$ 215,901 | \$ - | \$ - | \$ 215,901 |

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of each plan's NPL in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Governmental Activities:

| | MERS | MPERS | FRS | Total |
|--------------|-------------------|---------------------|-------------------|---------------------|
| 2024 | \$ 78,749 | \$ 490,708 | \$ 53,888 | \$ 623,345 |
| 2025 | (70,593) | 258,012 | (16,733) | 170,686 |
| 2026 | 320,440 | 634,896 | 165,414 | 1,120,750 |
| 2027 | (28,117) | (25,485) | (43,923) | (97,525) |
| 2028 | - | - | 17,188 | 17,188 |
| 2029 | - | - | 34,152 | 34,152 |
| Total | \$ 300,479 | \$ 1,358,131 | \$ 209,986 | \$ 1,868,596 |

Business-Type Activities:

| | MERS | MPERS | FRS | Total |
|--------------|-------------------|-------------|-------------|-------------------|
| 2024 | \$ 71,535 | \$ - | \$ - | \$ 71,535 |
| 2025 | (64,126) | - | - | (64,126) |
| 2026 | 291,086 | - | - | 291,086 |
| 2027 | (25,539) | - | - | (25,539) |
| Total | \$ 272,956 | \$ - | \$ - | \$ 272,956 |

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

Actuarial Assumptions. The NPL was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net pension. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

| | <u>MERS</u> | <u>MPERS</u> | <u>FRS</u> |
|-------------------------------------|---|--|--|
| Valuation Date | June 30, 2023 | June 30, 2023 | June 30, 2023 |
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal | Entry Age Normal |
| Expected Remaining Service Lives | 3 years | 4 years | 7 years, closed period |
| Investment Rate of Return | 6.85%, net of investment exp. | 6.75%, net of investment exp. | 6.90%, net of investment exp. |
| Inflation Rate | 2.50% per annum | 2.50% per annum | 2.50% per annum |
| Mortality - Non-disabled | PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales | Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Employees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale) | Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Employees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) |
| Mortality - Disabled | PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale | Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) | Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) |
| Termination, Disability, Retirement | 2013-2018 experience study | 2014-2019 experience study | 2014-2019 experience study |
| Salary Increases | 1 to 4 years of service - 6.4%, more than 4 years of service - 4.5% | 1 to 2 years of service - 12.30%, above 2 years - 4.70% | 14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases |
| Cost of Living Adjustments | Not substantively automatic | Not substantively automatic | Not substantively automatic |

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for each plan in the following table:

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

| | Target Allocation | LT Expected Real Rate of Return |
|------------------------------------|-------------------|---------------------------------|
| MERS (arithmetic) | | |
| Public equity | 56.00% | 2.44% |
| Public fixed income | 29.00% | 1.26% |
| Alternatives | 15.00% | 0.65% |
| Total | 100.00% | 4.35% |
| Inflation | | 2.50% |
| Expected arithmetic nominal return | | 6.85% |
| MPERS (arithmetic) | | |
| Equity | 52.00% | 3.29% |
| Fixed Income | 34.00% | 1.12% |
| Alternative | 14.00% | 0.95% |
| Total | 100.00% | 5.36% |
| Inflation | | 2.54% |
| Expected arithmetic nominal return | | 7.90% |
| FRS (arithmetic) | | |
| Equity | 56.00% | 6.53% |
| Fixed Income | 26.00% | 1.45% |
| Alternatives | 18.00% | 7.19% |
| Multi-Asset Strategies | 0.00% | 4.02% |
| Total | 100.00% | |

Discount Rate. The discount rate used to measure the total pension liability was 6.85% for MERS, 6.75% for MPERS and 6.90% for FRS. No change in discount rate from prior years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of each plan's actuary. Based on those assumptions, each plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the NPL to changes in the discount rate. The following presents the City's proportionate share of the NPL for all plans using the current discount rate as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

| | 1.0% Decrease | Current Discount Rate | 1.0% Increase |
|-------|---------------|-----------------------|---------------|
| MERS | \$ 10,170,021 | \$ 7,335,706 | \$ 4,941,560 |
| MPERS | 6,683,312 | 4,749,778 | 3,134,565 |
| FRS | 2,792,379 | 1,810,060 | 990,762 |

Pension plan fiduciary net position. Detailed information about each plan's fiduciary net position is available in the separately issued financial report referenced above.

Payables to the Pension Plan. At September 30, 2023, the City had no payables to MERS, MPERS, and FRS, respectively, for the September 2023 employee and employer legally required contributions.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

NOTE 11 - OTHER POST- EMPLOYMENT BENEFITS

Plan Description - The City provides post-employment benefits for eligible participants enrolled in the City of Minden health insurance program through the City of Minden, Employee Benefit Plan & Trust. This plan is a single employer defined benefit plan and the City maintains the authority to establish and amend plan benefit provisions and determine the contribution rates of the City and plan members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. Although the plan has a trust the amounts set aside in the trust are to pay current premiums and claims, on a “pay as you go” basis and are not set aside as assets accumulated to fund the OPEB obligation as actuarially determined. The plan provides medical, dental, vision, life ad accidental benefits. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The benefits are provided in the form of:

- An implicit rate subsidy where retirees receive health insurance coverage by paying a combined retiree/active rate.
- An explicit subsidy where the City provides a health premium subsidy to eligible retirees.

Funding Policy – Retiree contributions are based on the total years that the retiree has provided services to the City. Retiree with less than 25 years of service receive a subsidy equal to 50% of the full premium. Retirees with more than 25 years of service receive a subsidy equal to 60% of the full premium. The plan is currently financed on a “pay-as-you-go” basis.

Employees Covered by Benefit Terms – At September 30, 2023 the following employees were covered by the benefit terms:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefit payments | 54 |
| Active employees | 113 |
| Total | 167 |

Total OPEB Liability – The City’s total OPEB liability of \$6,154,399 was measured as of September 30, 2023 and was determined by an actuarial valuation as of September 30, 2023. The liability will be funded through the General Fund.

The total OPEB liability is based on census information as of September 30, 2022 and benefit payments and salary information as of September 30, 2023. There have been no significant changes between the valuation date and the fiscal year end.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

Actuarial Assumptions and Other Inputs – The total OPEB liability for the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|----------------------------|---|
| Actuarial method | Individual entry age normal cost - Level percentage of projected salary |
| Inflation | 2.50% |
| Discount rate | 2.27% Bond Buyer GO-20 bond index |
| Healthcare cost trend rate | Level 4.50% trend rate |
| Mortality | RPH-2014 Total Table with Projection MP-2021 |
| Turnover | Termination rates from the Louisiana Municipal Employees Retirement System ("MERS") actuarial valuation report were used for non-public safety employees; termination rates from the Louisiana Municipal Police Employees Retirement System ("MPERS") actuarial valuation report were used for police employees and from the Louisiana Fireman Retirement System ("FRS") actuarial valuation report for fire employees. |
| Retirement rates | Same source for termination rates used for retirement rates. |
| Salary increases | 3.50% |

Changes in Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|-------------------------------|---------------------------------|
| Balance at September 30, 2022 | \$ 5,970,714 |
| Changes for the year: | |
| Service cost | 183,285 |
| Interest | 286,717 |
| Benefit payments | <u>(286,317)</u> |
| Net changes | <u>183,685</u> |
| Balance at September 30, 2023 | <u>\$ 6,154,399</u> |

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City calculated using the discount rate of 4.77% (2.27% real rate of return plus 2.50% inflation), as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

| | 1% Decrease (3.77%) | Discount Rate (4.77%) | 1% Increase (5.77%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB liability | \$ 6,960,481 | \$ 6,154,399 | \$ 5,488,914 |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower and one percentage point higher than the current healthcare cost trend rate.

| | 1% Decrease (3.50%) | Healthcare Trend Rate (4.50%) | 1% Increase (5.50%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB liability | \$ 5,458,214 | \$ 6,154,399 | \$ 7,015,827 |

OPEB Expense and Deferred Outflows/ Inflows Related to OPEB – For the year ended September 30, 2023 the City recognized OPEB benefit of \$377,265. At September 30, 2023, the City reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ - | \$ (384,525) |
| Changes in assumptions | 561,197 | (3,537,402) |
| Total deferrals | \$ 561,197 | \$ (3,921,927) |

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

| | |
|------|--------------|
| 2024 | \$ (847,267) |
| 2025 | (902,772) |
| 2026 | (988,514) |
| 2027 | (429,092) |
| 2028 | (193,085) |

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

NOTE 12 - LONG-TERM DEBT

During the year ended September 30, 2023, the following changes occurred in governmental activities long-term debt:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due within one year |
|-----------------------|----------------------|---------------------|---------------------|----------------------|------------------------|
| Notes payable | \$ 582,044 | \$ - | \$ 97,088 | \$ 484,956 | \$ 100,741 |
| Leases | 271,520 | 148,773 | 115,074 | 305,219 | 123,714 |
| Compensated absences | 461,929 | 441,763 | 324,145 | 579,547 | 324,145 |
| Net pension liability | 10,367,643 | 1,703,122 | 1,667,017 | 10,403,748 | - |
| OPEB Liability | 5,970,714 | 470,002 | 286,317 | 6,154,399 | 286,317 |
| Total | <u>\$ 17,653,850</u> | <u>\$ 2,763,660</u> | <u>\$ 2,489,641</u> | <u>\$ 17,927,869</u> | <u>\$ 834,917</u> |

During the year ended September 30, 2023, the following changes occurred in business-type activities long-term debt:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due within one year |
|-----------------------|----------------------|------------------|---------------------|---------------------|------------------------|
| Notes payable | \$ 989,206 | \$ - | \$ 214,436 | \$ 774,770 | \$ 221,857 |
| Leases | 79,822 | 34,577 | 28,668 | 85,731 | 32,202 |
| Compensated absences | 234,073 | 132,102 | 179,194 | 186,981 | 179,194 |
| Net pension liability | 4,278,343 | (145,938) | 640,609 | 3,491,796 | - |
| Total | <u>\$ 5,581,444</u> | <u>\$ 20,741</u> | <u>\$ 1,062,907</u> | <u>\$ 4,539,278</u> | <u>\$ 433,253</u> |

Notes Payable

On January 6, 2016, the City entered into an agreement to purchase the equipment for its city-wide water and electric meter project. The cost of the project was \$1,700,000 and the terms of the agreement require the City to make ten payments of \$203,536. Interest accrues at a rate of 3.417%.

On February 4, 2019, the City entered into an agreement to purchase a multi-purpose excavator and aerial bucket truck. The cost of the equipment was \$549,486 and the terms of the agreement require the City to make one payment of \$57,700 and nine payments of \$68,354. Interest accrues at a rate of 4.289%.

On February 22, 2022, the City entered into an agreement to purchase a tractor with boom mower. The cost of the equipment was \$150,782 and the terms of the agreement require the City to make five payments of \$30,157. Interest accrues at a rate of 3.30%.

On February 22, 2022, the City entered into an agreement to purchase a bucket truck and trailer. The cost of the equipment was \$158,032 and the terms of the agreement require the City to make seven payments of \$22,576. Interest accrues at a rate of 3.10%.

On September 15, 2022, the City entered into an agreement to purchase a street sweeper. The cost of the equipment was \$274,974 and the terms of the agreement require the City to make one payment of \$41,381 and six payments of \$45,123. Interest accrues at a rate of 4.40%.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

Notes payable are due as follows:

Governmental activities:

| Year | Principal | Interest | Total Payment |
|------|------------------|-----------------|------------------|
| 2024 | \$100,741 | \$20,128 | \$120,869 |
| 2025 | 104,827 | 16,043 | 120,870 |
| 2026 | 109,080 | 11,789 | 120,869 |
| 2027 | 83,352 | 7,361 | 90,713 |
| 2028 | 86,956 | 3,759 | 90,715 |
| | <u>\$484,956</u> | <u>\$59,080</u> | <u>\$544,036</u> |

Business-type activities:

| Year | Principal | Interest | Total Payment |
|------|------------------|-----------------|------------------|
| 2024 | \$221,857 | \$27,019 | \$248,876 |
| 2025 | 229,536 | 19,340 | 248,876 |
| 2026 | 237,483 | 11,393 | 248,876 |
| 2027 | 42,169 | 3,169 | 45,338 |
| 2028 | 43,725 | 1,614 | 45,339 |
| | <u>\$774,770</u> | <u>\$62,535</u> | <u>\$837,305</u> |

Lease Liability

During the current fiscal year, an additional \$148,773 and \$34,577 was added to the lease liability for governmental activities and business-type activities, respectively, resulting in an ending balance of \$305,219 for governmental activities and \$85,731 for business-type activities. All leases are four to five years long with required monthly payments and imputed interest rate of 3.1%. The leased assets (vehicles/copiers) have a four to five year estimated useful life. The value of the leased vehicles and copiers (intangible asset) as of the end of the current fiscal year was \$490,862 and \$136,154 for governmental activities and business-type activities, respectively, and had accumulated amortization of \$185,643 for governmental activities and \$50,423 for business-type activities.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

The City records items under leases as an asset and an obligation in the accompanying financial statements.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2023 are as follows:

Governmental activities:

| Year | Principal | Interest | Total Payment |
|------|------------------|-----------------|------------------|
| 2024 | \$123,714 | \$7,521 | \$131,235 |
| 2025 | 100,602 | 4,062 | \$104,664 |
| 2026 | 45,621 | 1,759 | \$47,380 |
| 2027 | 29,062 | 629 | \$29,691 |
| 2028 | 6,220 | 47 | \$6,267 |
| | <u>\$305,219</u> | <u>\$14,018</u> | <u>\$319,237</u> |

Business-type activities:

| Year | Principal | Interest | Total Payment |
|------|-----------------|----------------|-----------------|
| 2024 | \$32,202 | \$2,198 | \$34,400 |
| 2025 | 24,942 | 1,248 | 26,190 |
| 2026 | 15,984 | 658 | 16,642 |
| 2027 | 9,522 | 228 | 9,750 |
| 2028 | 3,081 | 24 | 3,105 |
| | <u>\$85,731</u> | <u>\$4,356</u> | <u>\$90,087</u> |

NOTE 13 - ON-BEHALF SUPPLEMENTAL PAY

Certain employees meeting statutory qualifications in the police, fire and marshal departments receive supplemental pay directly from the State of Louisiana. This supplemental pay in the amount of \$297,290 is recognized as intergovernmental revenue and police, fire and ward marshal expenditures. Of the \$297,290 recognized, the State paid \$190,990 to City police officers, \$87,100 to City firemen, and \$19,200 to Ward Marshal.

NOTE 14 - CONTRACTUAL SERVICE AGREEMENT

The City has an agreement with Republic Services, a private company, to provide sanitation services to the City. These services include residential garbage and recyclable item pick-up and the disposal of such waste, with fees based on the number of pick-ups per week and the type of collection (curbside or backyard). The City then charges a monthly fee for sanitation services to individual customers on their utility bill.

NOTE 15 - JOINTLY GOVERNED ORGANIZATION

On March 11, 1992, the Webster Parish Sales & Use Tax Commission was formed under joint agreement of the City of Minden, the City of Springhill, the Town on Cotton Valley, the Town of Cullen, the Town of Sarepta, the Town of Sibley, the Village of Dixie Inn, the Webster Parish School Board and the Webster Parish Police Jury. The agreement established a joint commission for the purpose of providing a single collection agency within the boundaries of Webster Parish. The Commission is comprised of members from each of the taxing governments. Sales taxes were collected by the Commission and distributed to the City. The Commission issues an audited financial report which can be obtained by contacting the Webster Parish Sales & Use Tax Commission.

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

NOTE 16 - LITIGATIONS AND CONTINGENCIES

Contingencies: The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City’s compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

Litigations: Various lawsuits are pending against the City of Minden. Attorneys of the City are of the opinion that any judgement rendered in favor of the plaintiff will not materially affect the financial position of the City at September 30, 2023.

NOTE 17 - RISK MANAGEMENT The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and automobile liability for which the City carries commercial insurance. The City currently has commercial insurance with deductibles from \$5,000 to \$50,000 and coverage limits from \$100,000 (employee fidelity) to a \$36,473,401 (fire and extended coverage). Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 18 - TAX ABATEMENTS

The State of Louisiana offers several programs that provide tax abatements within the City including the Industrial Tax Exemption Program (ITEP). Louisiana’s ITEP has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from the state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended September 30, 2023 by authorized millage is as follows:

| Tax Code | Millage | Assessed Value lost to ITEP | Estimated tax lost to ITEP |
|----------------------------|---------|--------------------------------|-------------------------------|
| General corporate purposes | 5.46 | \$167,125 | \$913 |

NOTE 19 - FUND BALANCE CLASSIFICATION DETAILS

The following are details of the fund balance classification at September 30, 2023:

| | General | Sales Tax | Sewerage Sales Tax | Nonmajor Governmental | Total |
|---------------------------|------------|--------------|-----------------------|--------------------------|---------------|
| Nonspendable | \$ 25,422 | \$ - | \$ - | \$ - | \$ 25,422 |
| Restricted for: | | | | | |
| Sewer/recreation projects | - | - | 5,660,279 | - | 5,660,279 |
| Economic development | - | - | - | 776,652 | 776,652 |
| Public safety | - | - | - | 93,687 | 93,687 |
| Assigned | | | | | |
| Construction/maintenance | - | 4,233,220 | - | - | 4,233,220 |
| Public safety | - | - | - | 261,968 | 261,968 |
| Unassigned | 740,947 | - | - | - | 740,947 |
| Total | \$ 766,369 | \$ 4,233,220 | \$ 5,660,279 | \$ 1,132,307 | \$ 11,792,175 |

City of Minden
Notes to the Financial Statements
For the Year Ended September 30, 2023

NOTE 20 - NEW GASB STANDARD

In the current fiscal year the City implemented GASB Statement No. 96 – *Subscription-Based Technology Arrangements (SBITAs)*. This statement provides guidance on the accounting and financial reporting for SBITAs for governments. The statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The implementation of this standard had no effect on the City’s financial statements or notes to the financial statements.

NOTE 21 - SUBSEQUENT EVENTS

In November 2023, the City purchased a 2009 Ferrara custom fire rescue truck for \$315,000.

REQUIRED SUPPLEMENTARY INFORMATION

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2023

Exhibit 1-1

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last Nine Years

| <u>Fiscal Year</u> | <u>Employer's Proportion of the Net Pension Liability</u> | <u>Employer's Proportionate Share of the Net Pension Liability</u> | <u>Covered Payroll</u> | <u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u> | <u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u> |
|--|---|--|------------------------|---|---|
| Municipal Employees' Retirement System (MERS) | | | | | |
| 2023 | 2.007108% | \$ 7,335,706 | \$ 3,980,943 | 184.27% | 72.46% |
| 2022 | 2.159135% | 8,967,393 | 4,089,924 | 219.26% | 67.87% |
| 2021 | 2.005344% | 5,577,871 | 3,923,808 | 142.15% | 77.82% |
| 2020 | 2.007504% | 8,679,263 | 3,833,529 | 226.40% | 64.52% |
| 2019 | 1.987815% | 8,306,408 | 3,654,490 | 227.29% | 64.68% |
| 2018 | 1.949277% | 8,071,328 | 3,558,828 | 226.80% | 63.94% |
| 2017 | 2.046000% | 8,549,240 | 3,712,308 | 230.29% | 62.49% |
| 2016 | 2.113222% | 8,611,486 | 3,775,921 | 228.06% | 62.11% |
| 2015 | 2.116933% | 7,562,018 | 3,613,092 | 209.29% | 66.18% |
| Municipal Police Employees' Retirement System (MPERS) | | | | | |
| 2023 | 0.449578% | \$ 4,749,778 | \$ 1,523,340 | 311.80% | 71.30% |
| 2022 | 0.388893% | 3,975,177 | 1,200,564 | 331.11% | 70.80% |
| 2021 | 0.388528% | 2,069,627 | 1,184,504 | 174.73% | 84.09% |
| 2020 | 0.359675% | 3,324,235 | 1,076,075 | 308.92% | 70.94% |
| 2019 | 0.355512% | 3,228,644 | 1,110,228 | 290.81% | 71.01% |
| 2018 | 0.382525% | 3,233,890 | 1,128,882 | 286.47% | 71.89% |
| 2017 | 0.387770% | 3,385,396 | 1,128,637 | 299.95% | 70.08% |
| 2016 | 0.445268% | 4,173,416 | 1,294,652 | 322.36% | 66.04% |
| 2015 | 0.430206% | 3,370,211 | 1,705,932 | 197.56% | 70.73% |
| Firefighters' Retirement System (FRS) | | | | | |
| 2023 | 0.277327% | \$ 1,810,060 | \$ 744,877 | 243.00% | 77.69% |
| 2022 | 0.241575% | 1,703,416 | 625,498 | 272.33% | 74.68% |
| 2021 | 0.257333% | 911,950 | 645,465 | 141.29% | 86.78% |
| 2020 | 0.317894% | 2,203,498 | 791,430 | 278.42% | 72.61% |
| 2019 | 0.348884% | 2,184,680 | 843,209 | 259.09% | 73.96% |
| 2018 | 0.339869% | 1,954,953 | 809,175 | 241.60% | 74.76% |
| 2017 | 0.300465% | 1,722,220 | 701,544 | 245.49% | 73.55% |
| 2016 | 0.282144% | 1,845,477 | 895,307 | 206.13% | 68.16% |
| 2015 | 0.273126% | 1,474,113 | 580,443 | 253.96% | 72.45% |

Notes:

The amounts presented have a measurement date of June 30th of the fiscal year.

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

See accompanying notes to required supplementary information.

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2023

Exhibit 1-2

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLANS
Last Nine Years

| <u>Fiscal Year</u> | <u>Contractually Required Contribution</u> | <u>Contributions in Relation to Contractually Required Contributions</u> | <u>Contribution Deficiency (Excess)</u> | <u>Covered Payroll</u> | <u>Contributions as a Percentage of Covered Payroll</u> |
|---|--|--|---|----------------------------|---|
| Municipal Employees' Retirement System (MERS) | | | | | |
| 2023 | \$ 1,182,142 | \$ 1,182,142 | \$ - | \$ 4,007,257 | 29.50% |
| 2022 | 1,188,561 | 1,188,561 | - | 4,029,945 | 29.49% |
| 2021 | 1,183,380 | 1,183,380 | - | 4,011,454 | 29.50% |
| 2020 | 1,125,234 | 1,125,234 | - | 3,990,328 | 28.20% |
| 2019 | 976,716 | 976,716 | - | 3,698,240 | 26.41% |
| 2018 | 897,155 | 897,155 | - | 3,556,680 | 25.22% |
| 2017 | 853,862 | 853,862 | - | 3,680,679 | 23.20% |
| 2016 | 746,485 | 746,485 | - | 3,650,165 | 20.45% |
| 2015 | 709,988 | 709,988 | - | 3,594,876 | 19.75% |
| Municipal Police Employees' Retirement System (MPERS) | | | | | |
| 2023 | \$ 540,364 | \$ 540,364 | \$ - | \$ 1,686,291 | 32.04% |
| 2022 | 370,117 | 370,117 | - | 1,227,278 | 30.16% |
| 2021 | 389,410 | 389,410 | - | 1,190,293 | 32.72% |
| 2020 | 392,746 | 392,746 | - | 1,143,607 | 34.34% |
| 2019 | 341,311 | 341,311 | - | 1,056,663 | 32.30% |
| 2018 | 356,430 | 356,430 | - | 1,146,021 | 31.10% |
| 2017 | 343,511 | 343,511 | - | 1,089,842 | 31.52% |
| 2016 | 376,862 | 376,862 | - | 1,254,048 | 30.05% |
| 2015 | 360,404 | 360,404 | - | 1,165,145 | 30.93% |
| Firefighters' Retirement System (FRS) | | | | | |
| 2023 | \$ 262,866 | \$ 262,866 | \$ - | \$ 790,575 | 33.25% |
| 2022 | 212,740 | 212,740 | - | 635,305 | 33.49% |
| 2021 | 211,686 | 211,686 | - | 648,650 | 32.63% |
| 2020 | 220,477 | 220,477 | - | 768,038 | 28.71% |
| 2019 | 223,321 | 223,321 | - | 833,918 | 26.78% |
| 2018 | 218,989 | 218,989 | - | 826,374 | 26.50% |
| 2017 | 185,554 | 185,554 | - | 726,019 | 25.56% |
| 2016 | 231,949 | 231,949 | - | 981,338 | 23.64% |
| 2015 | 165,271 | 165,271 | - | 575,259 | 28.73% |

Notes:

The amounts presented were determined as of the fiscal year end.

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

See accompanying notes to required supplementary information.

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2023

Notes to Required Supplementary Information for Pensions

Changes in benefit terms: No changes noted for any plans.

Changes of assumptions:

The following schedule provides changes in actuarial assumptions for Municipal Employee's Retirement System (MERS):

| Valuation Date | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|--|---|---|---|---|---|--|--|--|--|
| Investment Rate of Return | 6.85%, net of investment exp. | 6.85%, net of investment exp. | 6.85%, net of investment exp. | 6.95%, net of investment exp. | 7.00%, net of investment exp. | 7.275%, net of investment exp. | 7.40%, net of investment exp. | 7.50%, net of investment exp. | 7.50%, net of investment exp. |
| Inflation Rate | 2.50% per annum | 2.60% per annum | 2.775% per annum | 2.875% per annum | 2.875% per annum |
| Mortality-Non-Disabled | PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales | PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales | PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales | PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales | PubG-2010(B) Healthy Retiree Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males & females, each adjusted using their respective male & female MP2018 scales | RP-2000 Healthy Annuitant Sex Distrinct Mortality Table (set forward 2 years for males & 1 year for females) projected to 2028 using Scale AA; RP-2000 Employee Sex Distinct Table (set back 2 years for both males and females) | RP-2000 Healthy Annuitant Sex Distrinct Mortality Table (set forward 2 years for males & 1 year for females) projected to 2028 using Scale AA; RP-2000 Employee Sex Distinct Table (set back 2 years for both males and females) | RP-2000 Healthy Annuitant Sex Distrinct Mortality Table (set forward 2 years for males & 1 year for females) projected to 2028 using Scale AA; RP-2000 Employee Sex Distinct Table (set back 2 years for both males and females) | RP-2000 Healthy Annuitant Sex Distrinct Mortality Table (set forward 2 years for males & 1 year for females) projected to 2028 using Scale AA; RP-2000 Employee Sex Distinct Table (set back 2 years for both males and females) |
| Mortality-Disabled | PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale | PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale | PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale | PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale | PubNS-2010(B) Disabled Retiree Table set equal to 120% for males & females with the full generational MP2018 scale | RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) | RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) | RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) | RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) |
| Termination, Disability, Retirement | 2013-2018 experience study | 2009-2014 experience study | 2009-2014 experience study | 2009-2014 experience study | 2009-2014 experience study |
| Salary Increases | 1 to 4 years of service - 6.4%, more than 4 years of service - 4.5% | 1 to 4 years of service - 6.4%, more than 4 years of service - 4.5% | 1 to 4 years of service - 6.4%, more than 4 years of service - 4.5% | 1 to 4 years of service - 6.4%, more than 4 years of service - 4.5% | 1 to 4 years of service - 6.4%, more than 4 years of service - 4.5% | 5.0% | 5.0% | 5.0% | 5.0% |

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2023

Notes to Required Supplementary Information for Pensions

The following schedule provides changes in actuarial assumptions for Municipal Police Employee's Retirement System (MPERS):

| Valuation Date | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|--|--|--|--|--|---|--|--|--|--|
| Investment Rate of Return | 6.75%, net of investment exp. | 6.75%, net of investment exp. | 6.75%, net of investment exp. | 6.95%, net of investment exp. | 7.125%, net of investment exp. | 7.20%, net of investment exp. | 7.325%, net of investment exp. | 7.50%, net of investment exp. | 7.50%, net of investment exp. |
| Inflation Rate | 2.50% per annum | 2.60% per annum | 2.70% per annum | 2.875% per annum | 2.875% per annum |
| Mortality-Non-Disabled | Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale) for healthy annuitants & beneficiaries and employees | Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale) for healthy annuitants & beneficiaries and employees | Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale) for healthy annuitants & beneficiaries and employees | Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 115% for males and 125% for females using the full generational MP2019 scale) for healthy annuitants & beneficiaries and employees | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table set back 4 years for males and 3 years for females for active members | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table (set back 4 years for males and 3 years for females for active members | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table (set back 4 years for males and 3 years for females for active members | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table (set back 4 years for males and 3 years for females for active members | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA (set back 1 year for females) for healthy annuitants & beneficiaries. RP-2000 Employee Table (set back 4 years for males and 3 years for females for active members |
| Mortality-Disabled | Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) | Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) | Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) | Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) | RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females) | RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females) | RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females) | RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females) | RP-2000 Disabled Lives Table (set back 5 years for males and 3 years for females) |
| Termination, Disability, Retirement | 2014-2019 experience study | 2014-2019 experience study | 2014-2019 experience study | 2014-2019 experience study | 2009-2014 experience study | 2009-2014 experience study | 2009-2014 experience study | 2009-2014 experience study | 2009-2014 experience study |
| Salary Increases | 1 to 2 years of service - 12.30%, Above 2 years - 4.70% | 1 to 2 years of service - 12.30%, Above 2 years - 4.70% | 1 to 2 years of service - 12.30%, Above 2 years - 4.70% | 1 to 2 years of service - 12.30%, Above 2 years - 4.70% | 1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25% | 1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25% | 1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25% | 1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25% | 1 to 2 years of service - 9.75%, 3 to 23 years of service - 4.75%, Over 23 years of service - 4.25% |

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2023

Notes to Required Supplementary Information for Pensions

The following schedule provides changes in actuarial assumptions for Firefighter's Retirement System (FRS):

| Valuation Date | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|--|--|--|--|--|---|---|---|---|---|
| Investment Rate of Return | 6.90%, net of investment exp. | 6.90%, net of investment exp. | 6.90%, net of investment exp. | 7.00%, net of investment exp. | 7.15%, net of investment exp. | 7.30%, net of investment exp. | 7.40%, net of investment exp. | 7.50%, net of investment exp. | 7.50%, net of investment exp. |
| Inflation Rate | 2.50% per annum | 2.50% per annum | 2.50% per annum | 2.50% per annum | 2.50% per annum | 2.70% per annum | 2.775% per annum | 2.880% per annum | 2.880% per annum |
| Mortality-Non-Disabled | Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees for employees & Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) | Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees for employees & Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) | Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees for employees & Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) | Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees for employees & Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employee, annuitant and beneficiary mortality | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employee, annuitant and beneficiary mortality | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employee, annuitant and beneficiary mortality | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employee, annuitant and beneficiary mortality | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA for employee, annuitant and beneficiary mortality |
| Mortality-Disabled | Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) | Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) | Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) | Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees (base table multiplied by 105% for males and 115% for females using the full generational MP2019 scale) | RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) | RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) | RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) | RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) | RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) |
| Termination, Disability, Retirement | 2014-2019 experience study | 2014-2019 experience study | 2014-2019 experience study | 2014-2019 experience study | 2009-2014 experience study | 2009-2014 experience study | 2009-2014 experience study | 2009-2014 experience study | 2009-2014 experience study |
| Salary Increases | 14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases | 14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases | 14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases | 14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases | Vary from 14.75% in the first 2 years of service to 4.5% after 25 years | Vary from 15% in the first 2 years of service to 4.75% after 25 years | Vary from 15% in the first 2 years of service to 4.75% after 25 years | Vary from 15% in the first 2 years of service to 4.75% after 25 years | Vary from 15% in the first 2 years of service to 4.75% after 25 years |

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2023

EXHIBIT 2

SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS

Last Six Fiscal Years

| Total OPEB Liability | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| Service cost | \$ 353,798 | \$ 368,162 | \$ 368,162 | \$ 329,097 | \$ 329,097 | \$ 183,285 |
| Interest | 408,348 | 424,844 | 346,592 | 190,896 | 195,701 | 286,717 |
| Differences between expected and actual experience | - | - | (348,122) | - | (350,889) | - |
| Changes of assumptions | - | 2,102,952 | (4,570,456) | - | (2,416,748) | - |
| Benefit payments | (382,425) | (357,986) | (302,616) | (302,616) | (310,315) | (286,317) |
| Net change in total OPEB liability | 379,721 | 2,537,972 | (4,506,440) | 217,377 | (2,553,154) | 183,685 |
| Total OPEB liability - beginning | 9,895,238 | 10,274,959 | 12,812,931 | 8,306,491 | 8,523,868 | 5,970,714 |
| Total OPEB liability - ending | <u>\$ 10,274,959</u> | <u>\$ 12,812,931</u> | <u>\$ 8,306,491</u> | <u>\$ 8,523,868</u> | <u>\$ 5,970,714</u> | <u>\$ 6,154,399</u> |
| Covered payroll | \$ 4,940,521 | \$ 4,940,521 | \$ 4,698,323 | \$ 4,698,323 | \$ 4,979,067 | 4,979,067 |
| Total OPEB liability as a percentage of covered-employee payroll | 207.97% | 259.34% | 176.80% | 181.42% | 119.92% | 123.61% |

Notes to Schedule:

Changes of Assumptions:

| <u>Discount Rates:</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 4.06% | 2.66% | 2.25% | 2.25% | 2.27% | 2.27% |

Healthcare cost trend rates:

2018 and 2019: Level 5.0% annual trend rate
2020, 2021 and 2022: Level 4.5% annual trend rate

Mortality Rates:

2018 and 2019: RPH-2014 Total Table with Projection MP-2018
2020 and 2021: RPH-2014 Total Table with Projection MP-2019
2022: RPH-2014 Total Table with Projection MP-2021

No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

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

City of Minden
Required Supplementary Information
As of and for the Year Ended September 30, 2023

EXHIBIT 3

CONDITION RATING OF THE CITY'S STREET SYSTEM

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Number of Streets | 338 | 327 | 327 | 326 | 326 | 326 |
| Percentage of streets in good or better condition | 76.63% | 66.36% | 66.36% | 66.26% | 66.56% | 68.10% |
| Percentage of streets in substandard condition | 23.37% | 33.64% | 33.64% | 33.74% | 33.44% | 31.90% |
| Comparison of needed to actual maintenance/preservation: | | | | | | |
| Needed as of 1/1 (date of assessment) | \$ 4,316,748 | \$ 7,790,674 | \$ 7,790,674 | \$ 7,596,165 | \$ 6,994,710 | \$ 7,259,793 |
| Actual cost of improvements incurred as of 9/30 | \$ 331,717 | \$ - | \$ 589,454 | \$ 369,730 | \$ 1,509,484 | \$ 1,618,209 |

The condition of road pavement is measured by the City using a pavement management system which rates the condition of the pavement surfaces using a 1-5 rating scale assessing the following distress factors:

- Base failure
- Surface wear
- Effects of outside construction contractors which may cause damage to streets during various projects
- Evidence of potholes

The system is based on a condition rating system from 1 to 5. The rating scale used to classify roads in good or better condition (4-5), fair condition (3), and substandard condition (1-2). Roads which are rated 1 are considered highest priority for improvements. It is the City's policy to maintain at least 75% of its street system at a good or better condition level.

The City's condition assessment is determined every two years as the pavement conditions are monitored throughout this time.

City of Minden

Budgetary Comparison Schedules

Major Funds with Legally Adopted Annual Budget

General Fund - is the general operating fund of the City. It accounts for all financial resources, except those required to be accounted for in other funds.

Sales Tax Fund - accounts for the receipt and use of the municipality's one percent (1%) sales and use tax under the provisions of the sales and use tax ordinance effective August 1, 1967.

Sewerage Sales Tax Fund -accounts for the receipt and use of the municipality's one percent (1%) sales and use tax under the provisions of the sales and use tax ordinance effective December 1, 1984. By special election held April 15, 2000, the City rededicated and renewed the levy of this one percent (1%) sales and use tax.

CITY OF MINDEN
GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended September 30, 2023

Exhibit 4-1

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL</u> | <u>VARIANCE</u> |
|--|-------------------------|---------------------|----------------------------------|------------------------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>BUDGETARY</u> <u>BASIS</u> | <u>WITH FINAL</u> <u>BUDGET</u> |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 2,015,544 | \$ 2,015,544 | \$ 796,598 | \$ (1,218,946) |
| Resources (inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | 509,500 | 509,500 | 513,380 | 3,880 |
| Other taxes, penalties, and interest | 559,000 | 636,000 | 759,519 | 123,519 |
| Licenses and permits | 663,000 | 663,000 | 781,242 | 118,242 |
| Intergovernmental revenues | 813,050 | 976,870 | 1,044,990 | 68,120 |
| Fees, charges and commissions for services | 1,569,764 | 1,569,764 | 1,648,001 | 78,237 |
| Use of money and property | 5,000 | 5,000 | 26,202 | 21,202 |
| Fines and forfeitures | 99,000 | 99,000 | 95,198 | (3,802) |
| Miscellaneous revenues | 922,500 | 647,500 | 199,865 | (447,635) |
| Transfers in from other funds | 11,903,329 | 11,803,329 | 12,237,679 | 434,350 |
| Leases (as lessee) | - | - | 148,773 | 148,773 |
| Amounts available for appropriations | <u>19,059,687</u> | <u>18,925,507</u> | <u>18,251,447</u> | <u>(674,060)</u> |
| Charges to appropriations (outflows) | | | | |
| Current: | | | | |
| General and administrative | 4,338,307 | 4,338,307 | 4,118,509 | 219,798 |
| Police department | 3,778,523 | 3,778,523 | 4,369,816 | (591,293) |
| Fire department | 1,934,428 | 1,986,428 | 2,137,004 | (150,576) |
| Street department | 3,177,660 | 3,177,660 | 3,131,846 | 45,814 |
| Sanitation and health | 451,206 | 101,206 | 112,625 | (11,419) |
| Parks and recreation | 2,287,273 | 2,287,273 | 1,882,508 | 404,765 |
| Public works | 436,746 | 436,746 | 504,844 | (68,098) |
| Capital outlay | <u>640,000</u> | <u>803,820</u> | <u>1,227,926</u> | <u>(424,106)</u> |
| Total charges to appropriations | <u>17,044,143</u> | <u>16,909,963</u> | <u>17,485,078</u> | <u>(575,115)</u> |
| BUDGETARY FUND BALANCES, ENDING | <u>\$ 2,015,544</u> | <u>\$ 2,015,544</u> | <u>\$ 766,369</u> | <u>\$ (1,249,175)</u> |

See accompanying notes to budgetary comparison schedule.

CITY OF MINDEN

**SALES TAX
Budgetary Comparison Schedule
For the Year Ended September 30, 2023**

Exhibit 4-2

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL</u> | <u>VARIANCE WITH FINAL BUDGET</u> |
|--------------------------------------|-------------------------|---------------------|----------------------------|---|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>BUDGETARY BASIS</u> | |
| BUDGETARY FUND BALANCES, BEGINNING | \$ 2,189,526 | \$ 2,189,526 | \$ 3,852,301 | \$ 1,662,775 |
| Resources (inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Sales and use | 3,650,000 | 3,975,000 | 4,001,018 | 26,018 |
| Use of money and property | 12,500 | 12,500 | 36,073 | 23,573 |
| Amounts available for appropriations | <u>5,852,026</u> | <u>6,177,026</u> | <u>7,889,392</u> | <u>1,712,366</u> |
| Charges to appropriations (outflows) | | | | |
| Current: | | | | |
| General and administrative | 65,500 | 65,500 | 59,172 | 6,328 |
| Transfers to other funds | <u>5,786,526</u> | <u>3,922,000</u> | <u>3,597,000</u> | <u>325,000</u> |
| Total charges to appropriations | <u>5,852,026</u> | <u>3,987,500</u> | <u>3,656,172</u> | <u>331,328</u> |
| BUDGETARY FUND BALANCES, ENDING | <u>\$ -</u> | <u>\$ 2,189,526</u> | <u>\$ 4,233,220</u> | <u>\$ 2,043,694</u> |

See accompanying notes to budgetary comparison schedule.

CITY OF MINDEN

SEWERAGE SALES TAX
 Budgetary Comparison Schedule
 For the Year Ended September 30, 2023

Exhibit 4-3

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE |
|--------------------------------------|------------------|--------------|-----------------|-------------------|
| | ORIGINAL | FINAL | BUDGETARY BASIS | WITH FINAL BUDGET |
| BUDGETARY FUND BALANCES, BEGINNING | \$ - | \$ 5,939,882 | \$ 5,939,882 | \$ - |
| Resources (inflows) | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Sales and use | 3,650,000 | 3,650,000 | 3,995,855 | 345,855 |
| Use of money and property | - | - | 19,779 | 19,779 |
| Miscellaneous revenues | 623,500 | 13,500 | 52,421 | 38,921 |
| Transfers from other funds | 271,945 | 271,945 | - | (271,945) |
| Amounts available for appropriations | 4,545,445 | 9,875,327 | 10,007,937 | 132,610 |
| Charges to appropriations (outflows) | | | | |
| Current: | | | | |
| General and administrative | 65,000 | 65,000 | 53,779 | 11,221 |
| Transfers to other funds | 4,480,445 | 4,195,445 | 4,293,879 | (98,434) |
| Total charges to appropriations | 4,545,445 | 4,260,445 | 4,347,658 | (87,213) |
| BUDGETARY FUND BALANCES, ENDING | \$ - | \$ 5,614,882 | \$ 5,660,279 | \$ 45,397 |

See accompanying notes to budgetary comparison schedule.

City of Minden

**Notes to the Budgetary Comparison Schedules
For the Year Ended September 30, 2023**

Note A. BUDGET PRACTICES A preliminary budget for the ensuing year is prepared by the clerk in August. The proposed budget is reviewed by the mayor and the City Council and made available to the public. During a September meeting of the City Council, the City holds a public hearing on the proposed budget in order to receive comments from citizens. Changes are made to the proposed budget based on the public hearing and the desires of the City Council as a whole. The budget is then adopted during a September meeting, and notice is published in the official journal.

During the year, the City Council receives monthly budget comparison statements which are used as a tool to control the operations of the City. The City Clerk presents necessary budget amendments to the Council when he determines that actual operations are differing materially from those anticipated in the original budget. The Council in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in the City's minutes published in the official journal.

The budget is established and controlled by the mayor and Council members at the functional level of expenditure. Unexpended appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the mayor and the Council members. The City does not use encumbrance accounting in its accounting system.

All governmental funds' budgets are prepared on the modified accrual basis of accounting in accordance with GAAP.

Appropriations (unexpended budget balances) lapse at year end.

Note B. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED APPROPRIATIONS The following individual funds had actual expenditures over budgeted expenditures for the year ended September 30, 2023:

| <u>Fund</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------|---------------|---------------|-----------------|
| General Fund | \$ 16,909,963 | \$ 17,485,078 | \$ (575,115) |
| Sewerage Sales Tax | 4,260,445 | 4,347,658 | (87,213) |

Note C. BUDGET TO GAAP RECONCILIATION Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

| | <u>GENERAL</u> | <u>SALES TAX</u> | <u>SEWERAGE SALES TAX</u> |
|--|----------------|----------------------|-----------------------------------|
| <u>Sources/inflows of resources:</u> | | | |
| Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule | \$ 18,251,447 | \$ 7,889,392 | \$ 10,007,937 |
| The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes | (796,598) | (3,852,301) | (5,939,882) |
| Transfers in are shown as resources (inflows) for budgetary purposes but as other financing sources for reporting purposes | (12,237,679) | - | - |
| Note/lease proceeds and insurance recoveries are shown as resources (inflows) for budgetary purposes but as other financing sources for reporting purposes | (148,773) | - | - |
| Total revenues as reported on the Statement of Revenues, Expenditures, and changes in Fund Balances - Governmental Funds | \$ 5,068,397 | \$ 4,037,091 | \$ 4,068,055 |
| <u>Uses/outflows of resources:</u> | | | |
| Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule | \$ 17,485,078 | \$ 3,656,172 | \$ 4,347,658 |
| Transfers to other funds classified and expenditures for budgetary purposes and as an operating transfer for financial reporting | - | (3,597,000) | (4,293,879) |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | \$ 17,485,078 | \$ 59,172 | \$ 53,779 |

This page intentionally left blank.

SUPPLEMENTARY INFORMATION

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

CITY OF MINDEN

NONMAJOR GOVERNMENTAL FUNDS
 Combining Balance Sheet - By Fund Type
 September 30, 2023

Exhibit 5

| | <u>SPECIAL REVENUE</u> | <u>CAPITAL PROJECTS CAPITAL IMPROVEMENTS STREET FUND</u> | <u>TOTAL</u> |
|--|----------------------------|--|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 907,989 | \$ 261,968 | \$ 1,169,957 |
| Receivables | <u>73,246</u> | <u>-</u> | <u>73,246</u> |
| TOTAL ASSETS | <u>981,235</u> | <u>261,968</u> | <u>1,243,203</u> |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES: | | | |
| Accounts and other payables | 32,161 | - | 32,161 |
| Interfund payables | <u>78,735</u> | <u>-</u> | <u>78,735</u> |
| TOTAL LIABILITIES | <u>110,896</u> | <u>-</u> | <u>110,896</u> |
| FUND BALANCES: | | | |
| Restricted | 870,339 | - | 870,339 |
| Assigned | <u>-</u> | <u>261,968</u> | <u>261,968</u> |
| TOTAL FUND BALANCES | <u>870,339</u> | <u>261,968</u> | <u>1,132,307</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 981,235</u> | <u>\$ 261,968</u> | <u>\$ 1,243,203</u> |

CITY OF MINDEN

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances - By Fund Type
 For the Year Ended September 30, 2023

Exhibit 6

| | SPECIAL REVENUE | CAPITAL PROJECTS CAPITAL IMPROVEMENTS STREET FUND | TOTAL |
|--|--------------------|---|---------------------|
| REVENUES | | | |
| Taxes: | | | |
| Sales and use | \$ 163,542 | \$ - | \$ 163,542 |
| Use of money and property | 5,321 | - | 5,321 |
| Fines and forfeitures | 753,600 | - | 753,600 |
| Miscellaneous revenues | 240 | - | 240 |
| TOTAL REVENUES | <u>922,703</u> | <u>-</u> | <u>922,703</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General and administrative | 22,425 | - | 22,425 |
| Police Department | 336,399 | - | 336,399 |
| TOTAL EXPENDITURES | <u>358,824</u> | <u>-</u> | <u>358,824</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 563,879 | - | 563,879 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | <u>(434,350)</u> | <u>-</u> | <u>(434,350)</u> |
| Net Change in Fund Balances | 129,529 | - | 129,529 |
| FUND BALANCES - BEGINNING | <u>740,810</u> | <u>261,968</u> | <u>1,002,778</u> |
| FUND BALANCES - ENDING | <u>\$ 870,339</u> | <u>\$ 261,968</u> | <u>\$ 1,132,307</u> |

City of Minden
Nonmajor Special Revenue Funds

DRUG TASK FORCE FUND This fund is used to account for activities to combat drug activities within the City. Funding is provided through fines and miscellaneous sources.

TIF District #1 This fund is used to account for economic development in the associated district. Funding is provided through sales tax within the district.

TIF District #2 This fund is used to account for economic development in the associated district. Funding is provided through sales tax within the district.

TIF District #3 This fund is used to account for economic development in the associated district. Funding is provided through sales tax within the district.

TIF District #4 This fund is used to account for economic development in the associated district. Funding is provided through sales tax within the district.

STEP This fund is used to account for the Selective Traffic Enforcement Program to enforce highway safety laws. Funding is provided by fines for traffic violations.

CITY OF MINDEN

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 September 30, 2023

Exhibit 7

| | DRUG TASK FORCE FUND | TIF DISTRICT #1 | TIF DISTRICT #2 | TIF DISTRICT #3 | TIF DISTRICT #4 | STEP | TOTAL |
|--|-------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------|-------------------|
| ASSETS: | | | | | | | |
| Cash and cash equivalents | \$ 31,404 | \$ 62,942 | \$ 686,813 | \$ 8,744 | \$ 10,145 | \$ 107,941 | \$ 907,989 |
| Receivables | - | 1,639 | 6,201 | 1 | 167 | 65,238 | 73,246 |
| TOTAL ASSETS | 31,404 | 64,581 | 693,014 | 8,745 | 10,312 | 173,179 | 981,235 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| LIABILITIES: | | | | | | | |
| Accounts and other payables | - | - | - | - | - | 32,161 | 32,161 |
| Interfund payables | - | - | - | - | - | 78,735 | 78,735 |
| TOTAL LIABILITIES | - | - | - | - | - | 110,896 | 110,896 |
| FUND BALANCES: | | | | | | | |
| Restricted | 31,404 | 64,581 | 693,014 | 8,745 | 10,312 | 62,283 | 870,339 |
| TOTAL FUND BALANCES | 31,404 | 64,581 | 693,014 | 8,745 | 10,312 | 62,283 | 870,339 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 31,404 | \$ 64,581 | \$ 693,014 | \$ 8,745 | \$ 10,312 | \$ 173,179 | \$ 981,235 |

CITY OF MINDEN

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended September 30, 2023

Exhibit 8

| | DRUG TASK FORCE FUND | TIF DISTRICT #1 | TIF DISTRICT #2 | TIF DISTRICT #3 | TIF DISTRICT #4 | STEP | TOTAL |
|--|----------------------------|--------------------|--------------------|--------------------|--------------------|----------------|----------------|
| REVENUES | | | | | | | |
| Taxes: | | | | | | | |
| Sales and use | \$ - | \$ 23,807 | \$ 134,790 | \$ 2,856 | \$ 2,089 | \$ - | \$ 163,542 |
| Use of money and property | - | 426 | 4,563 | 58 | 68 | 206 | 5,321 |
| Fines and forfeitures | - | - | - | - | - | 753,600 | 753,600 |
| Miscellaneous revenues | 100 | - | - | - | - | 140 | 240 |
| TOTAL REVENUES | 100 | 24,233 | 139,353 | 2,914 | 2,157 | 753,946 | 922,703 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General and administrative | - | 20,070 | 1,813 | 49 | 30 | 463 | 22,425 |
| Police department | 902 | - | - | - | - | 335,497 | 336,399 |
| TOTAL EXPENDITURES | 902 | 20,070 | 1,813 | 49 | 30 | 335,960 | 358,824 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | (802) | 4,163 | 137,540 | 2,865 | 2,127 | 417,986 | 563,879 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers out | - | - | - | - | - | (434,350) | (434,350) |
| Net Change in Fund Balances | (802) | 4,163 | 137,540 | 2,865 | 2,127 | (16,364) | 129,529 |
| FUND BALANCES - BEGINNING | 32,206 | 60,418 | 555,474 | 5,880 | 8,185 | 78,647 | 740,810 |
| FUND BALANCES - ENDING | \$ 31,404 | \$ 64,581 | \$ 693,014 | \$ 8,745 | \$ 10,312 | \$ 62,283 | \$ 870,339 |

CITY OF MINDEN

**NONMAJOR SPECIAL REVENUE FUND
TIF DISTRICT #1
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2023**

Exhibit 9-1

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|----------------------------------|----------------------------|-------------------------|---------------|---|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Sales and use | \$ 16,500 | \$ 16,500 | \$ 23,807 | \$ 7,307 |
| Use of money and property | 200 | 200 | 426 | 226 |
| | 16,700 | 16,700 | 24,233 | 7,533 |
| TOTAL REVENUES | | | | |
| EXPENDITURES | | | | |
| Current: | | | | |
| General and administrative | 23,450 | 23,450 | 20,070 | 3,380 |
| | 23,450 | 23,450 | 20,070 | 3,380 |
| TOTAL EXPENDITURES | | | | |
| Net Change in Fund Balances | (6,750) | (6,750) | 4,163 | 10,913 |
| FUND BALANCES - BEGINNING | 10,000 | 60,418 | 60,418 | - |
| FUND BALANCES - ENDING | \$ 3,250 | \$ 53,668 | \$ 64,581 | \$ 10,913 |

CITY OF MINDEN

NONMAJOR SPECIAL REVENUE FUND
TIF DISTRICT #2
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2023

Exhibit 9-2

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|-----------------------------|--------------------|-------------------|-------------------|----------------------------------|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Sales and use | \$ 115,000 | \$ 115,500 | \$ 134,790 | \$ 19,290 |
| Use of money and property | 1,500 | 1,500 | 4,563 | 3,063 |
| TOTAL REVENUES | <u>116,500</u> | <u>117,000</u> | <u>139,353</u> | <u>22,353</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General and administrative | <u>1,725</u> | <u>2,225</u> | <u>1,813</u> | <u>412</u> |
| TOTAL EXPENDITURES | <u>1,725</u> | <u>2,225</u> | <u>1,813</u> | <u>412</u> |
| Net Change in Fund Balances | 114,775 | 114,775 | 137,540 | 22,765 |
| FUND BALANCES - BEGINNING | <u>-</u> | <u>555,474</u> | <u>555,474</u> | <u>-</u> |
| FUND BALANCES - ENDING | <u>\$ 114,775</u> | <u>\$ 670,249</u> | <u>\$ 693,014</u> | <u>\$ 22,765</u> |

CITY OF MINDEN

NONMAJOR SPECIAL REVENUE FUND
TIF DISTRICT #3
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2023

Exhibit 9-3

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE WITH FINAL BUDGET</u> |
|-----------------------------|----------------------------|-------------------------|-----------------|---|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | - | - | - | - |
| Sales and use | \$ 3,500 | \$ 3,500 | \$ 2,856 | \$ (644) |
| Use of money and property | - | - | 58 | 58 |
| TOTAL REVENUES | <u>3,500</u> | <u>3,500</u> | <u>2,914</u> | <u>(586)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General and administrative | <u>215</u> | <u>215</u> | <u>49</u> | <u>166</u> |
| TOTAL EXPENDITURES | <u>215</u> | <u>215</u> | <u>49</u> | <u>166</u> |
| Net Change in Fund Balances | 3,285 | 3,285 | 2,865 | (420) |
| FUND BALANCES - BEGINNING | <u>-</u> | <u>5,880</u> | <u>5,880</u> | <u>-</u> |
| FUND BALANCES - ENDING | <u>\$ 3,285</u> | <u>\$ 9,165</u> | <u>\$ 8,745</u> | <u>\$ (420)</u> |

CITY OF MINDEN

NONMAJOR SPECIAL REVENUE FUND
TIF DISTRICT #4
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2023

Exhibit 9-4

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
|-----------------------------|--------------------|------------------|------------------|----------------------------------|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Sales and use | \$ 2,000 | \$ 2,100 | \$ 2,089 | \$ (11) |
| Use of money and property | 25 | 25 | 68 | 43 |
| TOTAL REVENUES | <u>2,025</u> | <u>2,125</u> | <u>2,157</u> | <u>32</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General and administrative | <u>30</u> | <u>130</u> | <u>30</u> | <u>100</u> |
| TOTAL EXPENDITURES | <u>30</u> | <u>130</u> | <u>30</u> | <u>100</u> |
| Net Change in Fund Balances | 1,995 | 1,995 | 2,127 | 132 |
| FUND BALANCES - BEGINNING | <u>-</u> | <u>8,185</u> | <u>8,185</u> | <u>-</u> |
| FUND BALANCES - ENDING | <u>\$ 1,995</u> | <u>\$ 10,180</u> | <u>\$ 10,312</u> | <u>\$ 132</u> |

City of Minden

Exhibit 10

**Schedule of Compensation Paid to Council Members
For the Year Ended September 30, 2023**

The City of Minden, paid the following amounts for compensation to the members of the City Council as of September 30, 2023:

| <u>Council Member</u> | <u>District</u> | <u>Compensation</u> | <u>Car Allowance</u> |
|------------------------------|------------------------|----------------------------|-----------------------------|
| Wayne Edwards | District A | \$ 3,392 | \$ 300 |
| Carlton "Buddy" Myles | District A | 9,576 | 900 |
| Terika Williams-Walker | District B | 3,392 | 300 |
| Levon "Charlie" Thomas | District B | 9,576 | 900 |
| Vincen Bradford | District C | 3,392 | 300 |
| Latasha Anderson Mitchell | District C | 9,576 | 900 |
| Michael Roy | District D | 12,968 | 1,200 |
| Pamela Bloxom | District E | 3,392 | 300 |
| Andy Pendergrass | District E | 9,576 | 900 |
| Total | | <u>\$ 64,840</u> | <u>\$ 6,000</u> |

**Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended September 30, 2023**

Tommy Davis, Interim Mayor
October 2022 - December 2022

| Purpose | Amount |
|---------------------|------------------|
| Salary | \$ 23,262 |
| Benefits-Retirement | 6,862 |
| Benefits-Medicare | 359 |
| Car allowance | 1,500 |
| Reimbursements | 300 |
| Total | <u>\$ 32,283</u> |

Nicholas "Nick" Cox, Mayor
January 2023 -September 2023

| Purpose | Amount |
|---------------------|------------------|
| Salary | \$ 63,840 |
| Benefits-Retirement | 18,833 |
| Benefits-Medicare | 873 |
| Car allowance | 4,500 |
| Total | <u>\$ 88,046</u> |

City of Minden

Exhibit 12

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

| | First Six Month Period Ended 03/31/23 | Second Six Month Period Ended 09/30/23 |
|---|---|--|
| Cash Basis Presentation | | |
| Beginning Balance of Amounts Collected (i.e. cash on hand) | \$ 214,825 | \$ 233,867 |
| Add: Collections | | |
| Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>) | 242,750 | 510,850 |
| Criminal Court Costs/Fees | 30,707 | 34,350 |
| Criminal Fines - Other | 58,672 | 87,123 |
| Interest Earnings on Collected Balances | 6 | 134 |
| Subtotal Collections | 332,135 | 632,457 |
| Less: Disbursements To Governments & Nonprofits: (<i>Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.</i>) | | |
| <i>Minden City Court; Criminal Court Costs/Fees</i> | 30,707 | 34,350 |
| <i>Minden City Court; Civil Fees</i> | 42,964 | 83,598 |
| <i>Minden City Marshal; Civil Fees</i> | 31,732 | 56,690 |
| Less: Amounts Retained by Collecting Agency | | |
| City of Minden- Civil Fees | 166,110 | 296,892 |
| City of Minden- Criminal Fines- Other | 30,418 | 52,288 |
| Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies | | |
| Other Disbursements to Individuals (additional detail is not required) | 11,162 | 13,259 |
| Subtotal Disbursements/Retainage | 313,093 | 537,077 |
| Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand) | \$ 233,867 | \$ 329,247 |

**OTHER REPORTS REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Aimee Buchanan, CPA

Principal: Cindy Thomason, CPA

Audit Managers: Amy Tynes, CPA, CFE
Margie Williamson, CPA
Jennie Henry, CPA, CFE

Supervisors: Crystal Patterson, CPA
Sandra Harper, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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*

Independent Auditor's Report

To the Honorable Mayor and City Council
City of Minden
Minden, Louisiana

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minden as of and for the year ended September 30, 2023, 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 31, 2024. We issued an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

Our report includes a reference to the other auditor who audited the financial statements of the City of Minden's Pension and Other Employee Benefit Trust Plan, as described in our report on City of Minden's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified one certain deficiency in internal control, described in the accompanying *Schedule of Findings and Responses* as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying *Schedule of Findings and Responses* as item 2023-002.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Responses* and *Corrective Action Plan for Current Year Findings and Responses*. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
March 31, 2024

City of Minden
Schedule of Findings and Responses
For the Year Ended September 30, 2023

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.
- ii. There was one significant deficiency required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. The audit disclosed one instance of noncompliance considered material to the financial statements, as defined by the Government Auditing Standards.

City of Minden
Schedule of Findings and Responses
For the Year Ended September 30, 2023

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **2023-001** **Controls over Financial Reporting**

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Good internal controls over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financials are accurate at year-end.

Condition found: Internal controls were not in place or were not followed.

Our tests revealed:

- Monthly bank reconciliations were not performed for three bank accounts.
- Lack of reconciliation for inventory.
- Balance sheet accounts were not reconciled at year end.
- Fitness court and playground equipment assets were not capitalized at year end.
- Three employees had computer system access rights that were not necessary for their job duties.

Context: This finding appears to be reoccurring concerning journal entry review.

Possible asserted effect (cause effect):

Cause: Lack of procedures and employee turnover.

Effect: The City’s controls over financial reporting may not identify material misstatements on a timely basis.

Recommendations to prevent future occurrences: The City should establish quality control procedures to ensure bank reconciliations are performed monthly for all bank accounts. Additionally, quality controls procedures should be established to reconcile balance sheet accounts at year end including inventory, ensure all applicable assets are capitalized and computer system access be limited as need for job duties.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended September 30, 2018.

View of responsible official: See corrective action plan for current year findings and responses.

City of Minden
Schedule of Findings and Responses
For the Year Ended September 30, 2023

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **2023-002** **Budget Adoption**

Entity-wide or program/department specific: This finding is department specific.

Criteria or specific requirement: In accordance with La. Revised Statute 39:1305, the City must adopt a budget for general fund and all special revenue funds with proposed expenditures greater than \$500,000.

Condition found: The City did not adopt a budget for the Selective Traffic Enforcement Program (STEP) special revenue funds. Budgets were adopted for all other special revenue funds with proposed expenditures greater than \$500,000 and the General fund.

Context: This finding appears to include special revenue funds which previously were below the expenditure threshold..

Possible asserted effect (cause effect):

Cause: Expenditures for this program were below \$500,000 in prior years.

Effect: The City did not comply with the budget act and therefore the budget to actual reports were not reviewed by City Council monthly.

Recommendations to prevent future occurrences: The City should estimate proposed expenditures and adopt budgets for all special revenue funds with proposed expenditures over \$500,000.

Origination date and prior year reference (if applicable): This finding originated fiscal year ended September 30, 2022.

View of responsible official: See corrective action plan for current year findings and responses.

OTHER INFORMATION



**Schedule of Prior Year Findings and Responses
For the Year Ended September 30, 2023**

Reference # and title: 2022-001 Controls over Financial Reporting

Condition: Internal controls were not in place or were not followed.

Our tests revealed:

- Journal entries were not reviewed, support was not provided for 10% of the entries tested and support was not maintained in an orderly manner.
- Lack of reconciliation for inventory.
- Balance sheet accounts were not reconciled at year end.
- Three employees had computer system access rights that were not necessary for job duties.

Corrective action taken:

- The accounting department created new system for completing journal entries. Journal entries, along with all backup, are now filed into a binder by journal number. Both, the Assistant City Clerk and City Clerk, must initial the journal entries, agreeing they are correct to the best of our knowledge before entering them into the system.
- With conversations still being held between the City of Minden and the fee accountants Wise, Martin and Cole, a system is being put into place. The plan is to ensure accurate and timely inventory to be completed, as well as correcting the inventory in the general ledger as necessary.
- The City of Minden is going to utilize the fee accountants to help ensure all balance sheets are reconciled at year end going forward.
- The three mentioned employees have been corrected to the best of the City of Minden's knowledge. The employees now only have the access for their job duties, while also being limited to what they can do within those duties.

See finding 2023-001.

Reference # and title: 2022-002 Controls over Cash Accounts

Condition found: Internal controls were not in place or were not followed.

Our tests revealed:

- In testing five bank reconciliations for April 2022, there was no evidence that a member of management or a board member who does not handle cash had reviewed each bank reconciliation.
- Bank reconciliations had not been performed for three bank accounts at year end.

Material outstanding items were noted on bank reconciliations for numerous accounts

Corrective action taken:

- The City of Minden has put into place that the Assistant City Clerk is responsible for reconciling the bank statements. Before completing the bank reconciliation process and posting to the general ledger, the City Clerk must approve the reconciliations. Both sign off on the reconciliation and the signed copy is filed.
- The City of Minden is working with the fee accountants, as well as the Police Department. The accounting office will be taking control of their purchases and all must be approved by the City Clerk or Mayor.

Included with finding 2023-001.

City of Minden

Schedule of Prior Year Findings and Responses For the Year Ended September 30, 2023 (continued)

Reference # and title: **2022-003** **Budget Adoption**

Condition found: The City's fiscal year end is September 30th and the budget for the fiscal year end 2022 was not adopted before September 30, 2021. The budget was adopted on November 1, 2021.

Corrective action taken: The budget for fiscal year end 2023 was adopted before September 30, 2022. The budget was adopted on September 6, 2022.

See finding 2023-002.

Reference # and title: **2022-004** **Bid Law**

Condition found: When testing a sample of purchases over bid threshold of \$60,000 for equipment, to determine if proper bids or quotes were received, it was noted that a purchase of two vehicles totaling an amount over the bid threshold was not bid out. The City received quotes but did not follow the proper requirements of public bidding as required by the La. Revised Statutes.

Corrective action taken: This was a onetime occurrence. The City Clerk approved purchase of these vehicles, as they were readily available during the Covid pandemic. The pandemic caused a vehicle shortage resulting in hardships when purchasing vehicles. The City Clerk did collect three quotes before going forward.

Finding considered cleared.

Reference # and title: **2022-005** **Pledged Securities for Bank Deposits**

Condition found: One bank did not have securities pledged equal to one hundred percent of the amount of the collected funds on deposit. \$440,155 of a total bank balance of \$8,487,631 was not secured.

Corrective action taken: The City of Minden has requested monthly security pledges going forward to ensure we are in compliance with RS 39:1225. The accounting department will also be filing the pledges along with the bank account it is for, as recommended.

Finding considered cleared.

If any further questions need to be answered, please feel free to contact me.

Thank you,



Nicholas A. Cox, Mayor



**Corrective Action Plan for Current Year Findings and Responses
For the Year Ended September 30, 2023**

Reference # and title: 2023-001 Controls over Financial Reporting

Criteria or specific requirement: Good internal controls over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financials are accurate at year-end.

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Internal controls were not in place or were not followed.

Our tests revealed:

- Monthly bank reconciliations were not performed for three bank accounts.
- Lack of reconciliation for inventory.
- Balance sheet accounts were not reconciled at year end.
- Fitness court and playground equipment assets were not capitalized at year end.
- Three employees had computer system access rights that were not necessary for their job duties.

Corrective action planned:

- The City of Minden is working closely to get all bank reconciliation up to date to be able to reconcile all bank accounts in a timely manner going forward.
- The City of Minden is working closely with the fee accountants to ensure inventory is being completed on a regular basis in regards to the fuel at the Airport. The fee accountants are also going to provide the accounting office with all necessary steps that need to be completed in the system to ensure accuracy.
- The City of Minden will utilize the fee accountants at year end to ensure all balance sheets are reconciled at year end.
- The City of Minden has assigned the fee accountants to record all capitalized assets at year end going forward.
- The three employee’s access has been corrected. The access is now as the City thinks it should be.

Person responsible for corrective action:

Nick Cox, Mayor
City of Minden
520 Broadway
Minden, Louisiana 71058

Telephone: (318) 377-2144
Fax: (318) 371-4200

Anticipated completion date: Before year end September 30, 2024.

Reference # and title: 2023-002 Budget Adoption

Entity-wide or program/department specific: This finding is department specific.

Criteria or specific requirement: In accordance with La. Revised Statute 39:1305, the City must adopt a budget for general fund and all special revenue funds with proposed expenditures greater than \$500,000.

City of Minden

Corrective Action Plan for Current Year Findings and Responses For the Year Ended September 30, 2023 (continued)

Condition found: The City did not adopt a budget for the Selective Traffic Enforcement Program (STEP) funds.

Corrective action planned: As of October 1, 2023, the City of Minden created a fund for the Selective Traffic Enforcement Program (STEP), along with approving a budget for October 1, 2023 – September 30, 2024. The City will continue to approve a budget for STEP throughout the longevity of the program.

Person responsible for corrective action:

Nick Cox, Mayor
City of Minden
520 Broadway
Minden, Louisiana 71058

Telephone: (318) 377-2144
Fax: (318) 371-4200

Anticipated completion date: In place as of October 1, 2023.

If any further questions need to be answered, please feel free to contact me.

Thank you,



Nicholas A. Cox, Mayor



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Aimee Buchanan, CPA

Principal: Cindy Thomason, CPA

Audit Managers: Amy Tynes, CPA, CFE
Margie Williamson, CPA
Jennie Henry, CPA, CFE

Supervisors: Crystal Patterson, CPA
Sandra Harper, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Management Letter

To the Honorable Mayor and City Council
City of Minden
Minden, Louisiana

In planning and performing our audit of financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Minden as of and for the year ended September 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated March 31, 2024, on the financial statements of the City. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

2023-M1 **Timeclock System**

Comment: The Electric Line Crew, Water, Wastewater, Steam & Production Plant, Police and Fire Departments are keeping track of work hours with manual spreadsheets instead of using the timeclock system.

Recommendation: All employees should use the timeclock system to record work, vacation and sick time. This ensures that employees record accurate hours for the time they have worked, and an accurate balance of time available for vacation and sick days. Manual spreadsheets can easily be manipulated to pay hours that are not actually worked, resulting in costly expenses to the City. This will provide the City with a central repository with an accurate system of record to monitor work time by department and function.

Management’s response: The City of Minden placed all departments on time clocks, with the exceptions of the police department, the fire department, the ward marshal, and the line crew. The City plans to have the remaining departments on time clocks once upgrades are made so that the needs of these departments are met (such as advanced scheduling).

2023-M2 Disbursement Process

Comment: Disbursements from the Police Bond Fund bank account and the Police Step bank account are being processed in the police department and signed by police personnel.

Recommendation: All disbursements should be handled through the accounting department. This will provide the City with separated internal control duties.

Management's response: The City of Minden is working closely with the fee accountants to create a process to have all money transaction to be approved that will work efficiently for both, the accounting department and the police department.

We believe that the implementation of these recommendations will provide the City with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

Also included are management's responses to our current year management letter items. We have performed no audit procedures to verify the content of the responses.

This report is intended solely for the information and use of the City Council, management, others within the entity, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP
Monroe, Louisiana
March 31, 2024

City of Minden
Status of Prior Year Management Letter Items
For the Year Ended September 30, 2023

2022-M1 **Theft of Utility Receipts**

Comment: On August 9, 2022, the City of Minden discovered that a Utility Department Clerk removed a money bag containing receipts from the desk drawer and left the building. A caller had reported that there was a substantial amount of cash and checks in the envelope area of the payment drop box. The Police Officer secured the payments and contacted the Utilities Assistant Manager. The Assistant Manager immediately walked outside and retrieved the payments. The Assistant Manager said they had been looking for a missing deposit bag from that day. The Utilities Manager and Assistant Manager began reviewing the security footage. After review of the footage, it was determined who had taken the money. The employee was arrested by the Police Department and charged with felony theft. The employee admitted to the violations and was terminated. The City filed charges and restitution is being paid.

Recommendation: Continue use of internal control measures to reduce risk of theft of utility receipts. Notify legal authorities, District Attorney and Louisiana Legislative Auditor if case of occurrence

Management's response: This was a one-time finding. The City of Minden did pursue charges against the employee, and recouped the full amount stolen.

2022-M2 **Controls over Collections**

Comment: The Police Department handles collections of bonds within the department. There are approximately \$53,000 of deposits from prior years that have been made to the Police Bond Fund without details of the source of the funds. Frequently, refunds are made to the violators. However, without the payor's detail, refunds cannot be made.

Recommendation: Quality control procedures should be established to account for all monies deposited into the police bond fund which identifies the source of the deposit and allows for timely and proper reimbursement. Distribution of prior year bond funds that are not attributable to individuals should be discussed with legal counsel.

Management's response: The City of Minden went to court to have the judge make a ruling on the manner of dispersing the referenced money in the Police Bond fund from prior years. The judge also stressed to the Minden Police Department the importance of disbursing refunds in a timely, consistent manner.

2022-M3 **Timeclock System**

Comment: The Electric Line Crew, Water, Wastewater, Steam & Production Plant, Police and Fire Departments are keeping track of work hours with manual spreadsheets instead of using the timeclock system.

Recommendation: All employees should use the timeclock system to record work, vacation and sick time. This ensures that employees record accurate hours for the time they have worked, and an accurate balance of time available for vacation and sick days. Manual spreadsheets can easily be manipulated to pay hours that are not actually worked, resulting in costly expenses to the City. This will provide the City with a central repository with an accurate system of record to monitor work time by department and function.

City of Minden
Status of Prior Year Management Letter Items
For the Year Ended September 30, 2023

Management's response: The City of Minden placed all departments on time clocks, with the exceptions of the police department, the fire department, the ward marshal, and the line crew. The City plans to have the remaining departments on time clocks once upgrades are made so that the needs of these departments are met (such as advanced scheduling).

AGREED-UPON PROCEDURES



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA
Aimee Buchanan, CPA

Principal: Cindy Thomason, CPA

Audit Managers: Amy Tynes, CPA, CFE
Margie Williamson, CPA
Jennie Henry, CPA, CFE

Supervisors: Crystal Patterson, CPA
Sandra Harper, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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

To the Honorable Mayor and the City Council
City of Minden, Louisiana

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 year ended September 30, 2023. The City of Minden's management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal year ended September 30, 2023. 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 entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (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) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics** including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Bank Reconciliations

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

Comment: On the General fund November 2022 bank statement there was one outstanding item older than 12 months that had not been researched.

Management's Response: The City Clerk and Assistant City Clerk going forward will investigate on a monthly basis all outstanding items on the bank reconciliations to determine if the outstanding item should have already cleared, should clear in the next month, or an incorrect entry that should not have been on the reconciliation at all. If the outstanding items were entered incorrectly, corrective actions will be taken to remove said item.

Collections (excluding electronic funds transfers)

- 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 responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe 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 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.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Comment: The employee responsible for processing payments has the ability to modify vendor files.

Management's Response: The City of Minden has corrected the employee rights to limit the employee to only be able to prepare the payment, and no longer has the right to change any information on the vendor's profiles.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

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 whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - 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 #12 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 it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Comment: One exception noted where a late charge was assessed on one credit card statement.

Management’s Response: The City Clerk has spoken to Accounts Payable and reiterated the importance of paying all vendors on time. The Accounts Payable employee going forward will do so to avoid any late fees. The payment was submitted late due to missing receipts for the credit card holder that were not submitted to him.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe 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). If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - b) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - c) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Contracts

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity'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 or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - 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. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Debt Service

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures,
- 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 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. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Comment: We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 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.
27. 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).
28. 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 agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

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

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

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

Allen, Green & Williamson, LLP

Allen, Green & Williamson, LLP
Monroe, Louisiana
March 31, 2024