CITY OF DERIDDER, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

SEPTEMBER 30, 2020

Table of Contents

	Statement	Page(s)
INDEPENDENT AUDITOR'S REPORT	-	1-2
BASIC FINANCIAL STATEMENTS:		
Statement of Net Position	A	4-5
Statement of Activities	B	6
Balance Sheet – Governmental Funds	C	7
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position	D	8
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	E	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	F	10
Statement of Net Position – Proprietary Fund	G	11-12
Reconciliation of the Proprietary Funds Statement of Net Position to the Statement of Net Position	H	13
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	I	14
Reconciliation of the Statement of Revenues, Expenses, and Changes in Net Position of Proprietary Funds to the Statement of Activities	J	15
Statement of Cash Flows – Proprietary Fund	K	16-17
Notes to the Financial Statements	-	19-46

	Schedule	Page(s)
Required Supplemental Information		
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	1	48
Sales Tax Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	2	49
Schedule of the City's Proportionate Share of the Net Pension Liability	3	50-53
Schedule of the City's Pension Contributions	4	54-57
Schedule of Changes in Total Other Post-Employment Benefits (OPEB) Liability and Related Ratios	5	58
Other Supplemental Schedules		
Non-major Funds Description		
Combining Balance Sheet – Non-major Governmental Funds	6	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	7	62
Schedule of Compensation of Board Members	8	63
Schedule of Compensation, Benefits and Other Payments to Agency Head	9	64
Other Reports		
Schedule of Prior Year Audit Findings	10	66
Schedule of Current Year Audit Findings and Management's Response	11	67
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	-	68-69

	Schedule	Page(s)
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	-	70-71
Schedule of Expenditures of Federal Awards	12	72-73
Notes to the Schedule of Expenditures of Federal Awards	-	74
Schedule of Findings and Questioned Costs	13	75

Windham & Reed, L.L.C.

Certified Public Accountants

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA
Charles M. Reed, Jr., CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Misty Clanton, Mayor
and Members of the City Council
DeRidder, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of DeRidder, Louisiana, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of DeRidder, Louisiana as of September 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information on pages 48-49, schedule of the City's proportionate share of the net pension liability on pages 50-53, schedule of the City's pension contributions on pages 54-57, and schedule of changes in total other post-employment benefits (OPEB) liability and related ratios on page 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of DeRidder, Louisiana's basic financial statements. The schedule of compensation of board members, schedule of compensation, benefits and other payments to agency head, and the non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation of board members, schedule of compensation, benefits and other payments to agency head, and the non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation of board members, the schedule of compensation, benefits and other payments to agency head, and the non-major fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2021, on our consideration of the City of DeRidder, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of DeRidder, Louisiana's internal control over financial reporting and compliance.

John A. Windham, CPA

DeRidder, Louisiana
March 24, 2021

BASIC FINANCIAL STATEMENTS

Statement of Net Position
September 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,170,319	$ 1,398,488	$ 2,568,807
Receivables:			
Franchise taxes	89,887	-	89,887
Restricted sales tax receivable	704,522	-	704,522
Alcohol taxes	5,396	-	5,396
Accounts	3,100	384,753	387,853
Federal grants	423,985	-	423,985
Local grants	17,643	-	17,643
Due from other funds	-	174,166	174,166
Restricted cash and cash equivalents	3,866,564	42,500	3,909,064
Capital assets, not being depreciated	2,135,915	72,481	2,208,396
Capital assets, being depreciated - net	13,812,533	11,433,550	25,246,083
Total assets	$ 22,229,864	$ 13,505,938	$ 35,735,802
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	$ 1,513,376	$ 155,883	$ 1,669,259
Other post-employment benefits	2,178,001	526,918	2,704,919
Total deferred outflows of resources	$ 3,691,377	$ 682,801	$ 4,374,178
Total assets and deferred outflows of resources	$ 25,921,241	$ 14,188,739	$ 40,109,980
LIABILITIES			
Accounts payable	$ 432,374	$ 32,434	$ 464,808
Salaries payable	141,269	33,987	175,256
Payroll deductions payable	175,744	33,335	209,079
Contracts payable	4,230	42,500	46,730
Accrued interest payable	2,048	-	2,048
Due to other funds	174,166	-	174,166
Long term debt:			
Due within one year	50,000	-	50,000
Due in more than one year	200,000	-	200,000
Net OPEB obligation	12,012,449	2,906,142	14,918,591
Net pension liability	7,483,947	824,654	8,308,601
Accrued compensated absences	680,908	122,477	803,385
Customer deposits	-	161,498	161,498
Total liabilities	$ 21,357,135	$ 4,157,027	$ 25,514,162
DEFERRED INFLOWS OF RESOURCES			
Pensions	$ 656,983	$ 32,644	$ 689,627
Other post-employment benefits	4,453,915	1,077,525	5,531,440
Total deferred inflows of resources	$ 5,110,898	$ 1,110,169	$ 6,221,067
Total liabilities and deferred inflows of resources	$ 26,468,033	$ 5,267,196	$ 31,735,229

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Net Position
September 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	$ 15,948,448	$ 11,506,031	$ 27,454,479
Restricted for:			
Sales tax	3,412,240	-	3,412,240
Bond retirement	101,578	-	101,578
Police/Fire capital improvements	603,530	-	603,530
Health reimbursements	4,632	-	4,632
Unrestricted	(20,617,220)	(2,584,488)	(23,201,708)
Total net position	$ (546,792)	$ 8,921,543	$ 8,374,751
Total liabilities, deferred inflows of resources, and net position	$ 25,921,241	$ 14,188,739	$ 40,109,980

(Concluded)

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended September 30, 2020

Program Activities	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Total
Governmental activities:							
General government and administration	$ 2,236,622	$ 1,878	$ 60,645	$ 25,000	$ (2,149,099)	$ -	$ (2,149,099)
Public safety	5,724,917	15,994	343,574	16,941	(5,348,408)	-	(5,348,408)
Public works	2,845,913	35,550	59,171	539,046	(2,212,146)	-	(2,212,146)
Culture & recreation	271,904	-	8,653	-	(263,251)	-	(263,251)
Transit	336,884	68,481	195,839	-	(72,564)	-	(72,564)
Interest on long term debt	8,685	-	-	-	(8,685)	-	(8,685)
Unallocated depreciation*	45,849	-	-	-	(45,849)	-	(45,849)
Total governmental activities	$ 11,470,774	$ 121,903	$ 667,882	$ 580,987	$ (10,100,002)	$ -	$ (10,100,002)
Business-type activities:							
Water and sewer	$ 3,774,510	$ 2,631,275	$ -	$ 80,274	$ -	$ (1,062,961)	$ (1,062,961)
Total government	$ 15,245,284	$ 2,753,178	$ 667,882	$ 661,261	$ (10,100,002)	$ (1,062,961)	$ (11,162,963)
General revenues:							
Taxes:							
Ad valorem taxes					$ 796,620	$ -	$ 796,620
Sales taxes					8,478,480	-	8,478,480
Insurance premium tax					46,254	-	46,254
Franchise tax					516,582	-	516,582
Alcohol tax					21,677	-	21,677
Occupational licenses and permits					621,070	-	621,070
Investment earnings					285,452	73,092	358,544
Sale of assets					36,531	-	36,531
Rental income					48,300	-	48,300
Insurance revenues					47,357	41,815	89,172
Unclaimed property revenues					11,172	-	11,172
Insurance proceeds					38,364	-	38,364
Nonemployer pension revenue					223,470	25,306	248,776
Donations					24,782	-	24,782
Gain on disposal of assets					2,998	-	2,998
Transfers in					4,303,610	390,000	4,693,610
Transfers out					(4,620,919)	(72,691)	(4,693,610)
Total general revenues and transfers					$ 10,881,800	$ 457,522	$ 11,339,322
Change in net position					$ 781,798	$ (605,439)	$ 176,359
Net position at beginning of year					(1,328,590)	9,526,982	8,198,392
Net position at end of year					$ (546,792)	$ 8,921,543	$ 8,374,751

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

The accompanying notes are an integral part of this statement.

Balance Sheet
Governmental Funds
September 30, 2020

	Major Fund			
	General	Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 996,147	$ -	$ 174,172	$ 1,170,319
Receivables:				
Franchise taxes	89,887	-	-	89,887
Sales taxes	-	704,522	-	704,522
Alcohol taxes	5,396	-	-	5,396
Accounts receivable	3,100	-	-	3,100
Intergovernmental:				
Federal grants	419,755	-	4,230	423,985
Local grants	17,643	-	-	17,643
Restricted assets - cash	705,108	3,156,825	4,631	3,866,564
Total assets	$ 2,237,036	$ 3,861,347	$ 183,033	$ 6,281,416
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 51,492	$ 380,882	$ -	$ 432,374
Contracts payable	-	-	4,230	4,230
Salaries payable	108,299	32,970	-	141,269
Payroll deductions payable	140,489	35,255	-	175,744
Due to other funds	-	-	174,166	174,166
Total liabilities	$ 300,280	$ 449,107	$ 178,396	$ 927,783
Fund Balances:				
Restricted	$ 705,108	$ 3,412,240	$ 4,632	$ 4,121,980
Assigned	189,530	-	-	189,530
Unassigned	1,042,118	-	5	1,042,123
Total fund balances	$ 1,936,756	$ 3,412,240	$ 4,637	$ 5,353,633
Total liabilities and fund balances	$ 2,237,036	# $ 3,861,347	$ 183,033	$ 6,281,416

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet
to Statement of Net Position
September 30, 2020

Total fund balance - total governmental funds		$	5,353,633
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.			15,585,607
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in governmental funds balance sheet.			(2,048)
Capital assets reported in the proprietary fund but financed with general obligation debt have been transferred to governmental activities in the government-wide statement of net position in order to show those assets net of related debt in the net assets section of the government-wide statement of net position.			362,841
Pension-related changes in net pension liability that are only reported in the Statement of Net Position as deferred outflows.			1,513,376
Pension-related changes in net pension liability that are only reported in the Statement of Net Position as deferred inflows.			(656,983)
Other post-employment benefit related changes in net pension liability that are only reported in the Statement of Net Position as deferred outflows.			2,178,001
Other post-employment benefit related changes in net pension liability that are only reported in the Statement of Net Position as deferred inflows.			(4,453,655)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:			
Long term debt	$ (250,000)		
Net OPEB obligation	(12,012,709)		
Net pension liability	(7,483,947)		
Accrued compensated absences	(680,908)		
			(20,427,564)
Net position of governmental activities		$	(546,792)

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General Fund	Major Fund Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Ad valorem	$ 796,620	$ -	$ -	$ 796,620
Sales tax	-	8,478,480	-	8,478,480
Insurance premium tax	46,254	-	-	46,254
Franchise tax	516,582	-	-	516,582
Alcohol tax	21,677	-	-	21,677
Intergovernmental:				
Federal grants	656,203	-	461,617	1,117,820
State grants	26,290	-	-	26,290
Local grants	104,759	-	-	104,759
Occupational licenses and permits	621,070	-	-	621,070
Fees and charges for services	107,323	14,580	-	121,903
Investment income	174,552	110,848	52	285,452
Rental income	48,300	-	-	48,300
Donations	24,782	-	-	24,782
Unclaimed property revenues	11,172	-	-	11,172
Total revenues	$ 3,155,584	$ 8,603,908	$ 461,669	$ 12,221,161
Expenditures				
Current operating:				
General government	$ 1,205,694	$ 744,931	$ 44,621	$ 1,995,246
Public safety	4,669,373	-	-	4,669,373
Public works	-	2,360,090	-	2,360,090
Culture & recreation	121,625	-	-	121,625
Transit	253,852	-	-	253,852
Debt service:				
Principal	50,000	-	-	50,000
Interest and charges	9,095	-	-	9,095
Capital outlay	373,204	707,890	532,208	1,613,302
Total expenditures	$ 6,682,843	$ 3,812,911	$ 576,829	$ 11,072,583
Excess (deficiency) of revenues over expenditures	$ (3,527,259)	$ 4,790,997	$ (115,160)	$ 1,148,578
Other financing sources (uses)				
Transfer in	$ 4,199,019	$ 24,000	$ 80,591	$ 4,303,610
Transfer out	(29,800)	(4,591,119)	-	(4,620,919)
Insurance proceeds	55,036	30,685	-	85,721
Sale of assets	39,626	-	-	39,626
Total other financing sources (uses)	$ 4,263,881	$ (4,536,434)	$ 80,591	$ (191,962)
Net change in fund balance	$ 736,622	$ 254,563	$ (34,569)	$ 956,616
Fund balances at beginning of year	1,200,134	3,157,677	39,206	4,397,017
Fund balances at end of year	$ 1,936,756	$ 3,412,240	$ 4,637	$ 5,353,633

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds to the
Statement of Activities
For the Year Ended September 30, 2020

Net change in fund balances - total governmental funds		$ 956,616
Amounts reported for governmental activities in the statement of activities are different because:		
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(20,940)
Pension expense is based on employer contributions in the governmental funds, but is an actuarially calculated expense on the Statement of Activities.		(180,638)
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period:		
General fund	$ 373,204	
Sales tax fund	707,890	
Capital projects fund	532,208	
		1,613,302
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(756,458)
Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(107)
Accrued interest on long term debt is not shown in the governmental funds.		410
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of bond repayments.		50,000
Governmental funds do not report net change in other postemployment benefits (OPEB) obligations. However this obligation does appear in the Statement of Activities since the payable is reported on the Statement of Net Position.		(880,387)
Change in net position of governmental activities		$ 781,798

The accompanying notes are an integral part of this statement.

Statement of Net Position
Proprietary Fund
September 30, 2020

	Business-type Activities Enterprise Fund Water and Sewer
ASSETS	
Current Assets	
Cash and cash equivalents	$ 1,398,488
Receivables:	
Accounts	384,753
Due from other funds	174,166
Total current assets	$ 1,957,407
Noncurrent Assets	
Restricted cash and cash equivalents	$ 42,500
Capital assets not being depreciated	72,481
Capital assets being depreciated - net	11,796,391
Total noncurrent assets	$ 11,911,372
Total assets	$ 13,868,779
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	$ 155,883
Other post-employment benefits	526,918
Total deferred outflows of resources	$ 682,801
Total assets and deferred outflows of resources	$ 14,551,580
LIABILITIES	
Current Liabilities	
Accounts payable	$ 32,434
Salaries payable	33,987
Payroll deductions payable	33,335
Total current liabilities	$ 99,756
Liabilities payable from restricted assets	
Contracts payable	$ 42,500
Noncurrent Liabilities	
Customer deposits	$ 161,498
Compensated absences	122,477
Other post-employment benefits	2,906,142
Net pension liability	824,654
Total noncurrent liabilities	$ 4,014,771
Total liabilities	$ 4,157,027

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Net Position
Proprietary Fund
September 30, 2020

	Business-type Activities Enterprise Fund Water and Sewer
DEFERRED INFLOWS OF RESOURCES	
Pensions	$ 32,644
Other post-employment benefits	1,077,525
Total deferred inflows of resources	$ 1,110,169
Total liabilities and deferred inflows of resources	$ 5,267,196
NET POSITION	
Net investment in capital assets	$ 11,868,872
Unrestricted	(2,584,488)
Total net position	$ 9,284,384
Total liabilities, deferred inflows of resources, and net position	$ 14,551,580

(Concluded)

The accompanying notes are an integral part of this statement.

Reconciliation of the Proprietary Fund Statement of Net Position
to the Statement of Net Position
For the Year Ended September 30, 2020

Amounts reported for business-type activities in the statement of net position are different because:	
Total net position for the proprietary fund statement of net position	$ 9,284,384
Capital assets reported in the proprietary fund but financed with general obligation debt have been transferred to governmental activities in the government-wide statement of net position in order to show those assets net of related debt in the net asset section of the government-wide statement of net position.	(362,841)
Net position of business-type activities	$ 8,921,543

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended September 30, 2020

	Business-type Activities Enterprise Fund	
		Water and Sewer
Operating revenues		
Charges for services	$	2,631,275
Total operating revenues	$	2,631,275
Operating expenses		
Personal services	$	1,597,911
Supplies		456,241
Contractual services		892,766
Depreciation		842,554
Total operating expenses	$	3,789,472
Income (loss) from operations	$	(1,158,197)
Nonoperating revenues (expenses)		
Interest income	$	7,114
Dividends		65,978
Insurance revenues		41,815
Nonemployer pension revenue		25,306
Total nonoperating revenues (expenses)	$	140,213
Income (loss) before contributions and transfers	$	(1,017,984)
Capital contributions		80,274
Transfers out		(72,691)
Transfers in		390,000
Change in net position	$	(620,401)
Net position at beginning of year		9,904,785
Net position at end of year	$	9,284,384

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues,
Expenses, and Changes in Net Positon
of Proprietary Fund to the Statement of Activities
For the Year Ended September 30, 2020

Net change in net position - total proprietary fund	$	(620,401)
Depreciation on capital assets reported in the proprietary fund but financed with general obligation debt have been transferred to governmental activities in the government wide statement of activities.		14,962
Change in net position of proprietary activities	$	(605,439)

The accompanying notes are an integral part of this statement.

Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2020

	Business-type Activities Enterprises Fund Water and Sewer
Cash flows from operating activities:	
Cash received from customers	$ 2,575,956
Cash payments to suppliers for goods and services	(1,344,778)
Cash payments for employee services and employee related fringe benefits	(1,365,195)
Net cash used by operating activities	$ (134,017)
Cash flows from noncapital financing activities:	
Insurance revenues	$ 41,815
Nonemployer pension revenue	25,306
Transfer to other funds	(219,202)
Transfers in	390,000
Transfers out	(72,691)
Net cash provided for noncapital financing activities	$ 165,228
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	$ (851,711)
Capital contributions received	80,274
Net cash used for capital and related financing activities	$ (771,437)
Cash flows from investing activities:	
Interest and dividends on cash management activities	$ 73,092
Net increase (decrease) in cash and cash equivalents	$ (667,134)
Cash and cash equivalents, beginning of year	2,108,122
Cash and cash equivalents, end of year	$ 1,440,988

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2020

	Business-type Activities Enterprises Fund Water and Sewer
Reconciliation of operating loss to net cash used by operating activities	
Operating income (loss)	$ (1,158,197)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	$ 842,554
Increase in accounts receivable	(57,903)
Increase in accounts payable	3,029
Increase in contracts payable	1,200
Decrease in employee benefits payable	(7,041)
Increase in customer deposits payable	2,584
Increase in compensated absences payable	16,683
Increase in salaries payable	2,399
Decrease in other post-employment benefits payable	(626,691)
Decrease in deferred outflows	197,532
Increase in net pension liability	68,670
Increase in deferred inflows	581,164
Total adjustments	$ 1,024,180
Net cash used by operating activities:	$ (134,017)

(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

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

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

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

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

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

Blended Components Units

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

The City of DeRidder had no blended component units as of September 30, 2020.

Discretely Presented Component Units

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

The City of DeRidder had no discretely presented component units as of September 30, 2020.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the funds financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

> The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> Special Revenue Fund
>
> The Sales Tax Fund accounts for and reports sales tax revenues that are legally restricted to expenditures for specific purposes.

The City reports the following major proprietary fund:

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

The City reports the following non-major funds:

> Special Revenue Fund – Health Reimbursement Arrangement (HRA) Fund where eligible employees receive healthcare reimbursements for eligible healthcare expenses.

Capital Projects Fund – Louisiana Community Development Block Grant (LCDBG) Fund where LCDBG grant funds are used to construct and repair major fixed asset projects of the City.

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

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

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

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

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

C. Deposits and Investments

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

D. Receivables and Payables

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

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

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

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

Property Tax Calendar	
Assessment date	January 1, 2019
Levy date	June 30, 2019
Tax bills mailed	October 15, 2019
Total taxes are due	December 31, 2019
Penalties & interest due	January 31, 2020
Lien date	January 31, 2020
Tax sale	May 31, 2020

For the year ended September 30, 2020, taxes of 10.41 mills were levied on property with an assessed valuation totaling $78,387,769, and were dedicated as follows:

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

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

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

Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Valuation	Ad Valorem Tax Revenue for Municipality
Ingevity South Carolina, L.L.C.	Manufacturer	$ 16,790,547	21.41%	$ 133,877

Sales Taxes

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

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

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

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

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

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

E. Prepaid Items

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

F. Restricted Assets

Certain resources in the general fund have been set aside for the repayment of bonded debt of the City. These resources are classified as restricted assets because their use is limited. Also, the sales tax fund and the HRA Fund are special revenue funds with restricted assets set aside for special purposes. The LCDBG Fund is restricted for grant funds received for capital projects and the HRA Fund is restricted for healthcare cost reimbursements.

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

G. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred during the current fiscal year was $-0-. No interest was included as part of the cost of capital assets under construction in connection with the City's construction projects.

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

Description	Estimated Lives
Roads, bridges, and infrastructure	40-50 years
Land improvements	20-50 years
Buildings and building improvements	20-50 years
Furniture and fixtures	5-15 years
Vehicles	5-10 years
Equipment	3-15 years

H. Compensated Absences

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

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

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

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

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

a. The employees' rights to receive compensation are attributable to services already rendered.

b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

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

I. Long-Term Obligations

In the government-wide financial statements, and the proprietary funds types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

J. Fund Balances

Nonspendable — The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Restricted — Amounts that are restricted to specific purposes should be reported as *restricted fund balance*. Fund balance should be reported as restricted when constraints placed on the use of resources are either:

a. externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or

b. imposed by law through constitutional provisions or enabling legislation.

Committed — Committed fund balance classifications include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority.

Assigned — Assigned fund balance classifications include amounts that have been constrained to being used for specific purposes by actions taken by the City itself. However, the authority for making an assignment is not required to be the City's highest level of decision making authority.

Unassigned — Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

K. Net Position

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

a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.

c. Unrestricted net position – all other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

L. Extraordinary and Special Items

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

M. Estimates

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

N. Pensions

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

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

Financial reporting information pertaining to the City's participation in the MPERS, MERS and FRS is prepared in accordance with Governmental Accounting Standards Board "GASB" Statement No. 68, *Accounting and Financial Reporting for Pensions,* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date,* which have been adopted by the City for the fiscal year ended September 30, 2020.

O. Deferred Outflows/Inflows of Resources

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION: The City uses the following budget practices:

1. The Director of Finance submits to the Mayor and City Council a proposed operating budget no later than fifteen days prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and the means of financing them. For the fiscal year beginning October 1, 2019 and ending September 30, 2020, the budget was submitted to the City Council on September 9, 2019, and the public hearing was called for. After the public hearing was held, the budget was adopted by ordinance of the City Council.

2. Budgetary appropriations lapse at the end of each fiscal year.

3. Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the City Council.
4. Amendments to the budget are approved by the City Council by a formal adoption of an ordinance. The original budget is amended as necessary and all amendments are reflected in the budget comparisons in the financial statements.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS: The following individual funds have actual expenditures over budgeted appropriations for the year ended September 30, 2020.

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
General Fund	$ 6,705,000	$ 6,675,700	$ 6,682,843	$ 7,143
Sales Tax Fund	4,271,600	3,799,800	3,812,911	13,111

3. CASH AND CASH EQUIVALENTS

At September 30, 2020, the City has cash and cash equivalents (book balances) totaling $6,477,871 as follows:

Interest bearning demand deposits	$ 106,211
Demand deposits	262,510
Time deposits	157,826
Money market investment accounts	5,950,974
Petty cash	350
Total	$ 6,477,871

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

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

At September 30, 2020, the City has $6,711,782 in deposits (collected bank balances). These deposits are secured from risk by $1,490,544 of federal deposit insurance and $5,221,238 of pledged securities held by an unaffiliated bank of the pledgor bank. These deposited pledged securities are deemed by law to be under the control and possession and in the name of the City and are therefore properly collateralized.

4. RECEIVABLES

The receivables of $1,629,286 at September 30, 2020, are as follows:

Class of receivable	General Fund	Proprietary Funds	Special Revenue Fund	Capital Project Fund	Total
Taxes:					
Franchise	$ 89,887	$ -	$ -	$ -	$ 89,887
Alcohol	5,396	-	-	-	5,396
Sales	-	-	704,522	-	704,522
Intergovernmental:					
Federal grants	419,755	-	-	4,230	423,985
Local grants	17,643	-	-	-	17,643
Accounts	3,100	384,753	-	-	387,853
Total	$ 535,781	$ 384,753	$ 704,522	$ 4,230	$ 1,629,286

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended September 30, 2020, for the primary government is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 942,862	$ -	$ -	$ 942,862
Work in progress	65,479	1,160,074	32,500	1,193,053
Total capital assets not being depreciated	$ 1,008,341	$ 1,160,074	$ 32,500	$ 2,135,915
Capital assets being depreciated				
Buildings	$ 7,665,390	$ 56,652	$ -	$ 7,722,042
Improvements other than buildings	9,700,334	78,325	-	9,778,659
Machinery and equipment	1,660,149	265,184	11,445	1,913,888
Guns	24,672	-	489	24,183
Vehicles	2,707,417	85,568	86,662	2,706,323
Utility fund asset	598,493	-	-	598,493
Total capital assets being depreciated	$ 22,356,455	$ 485,729	$ 98,596	$ 22,743,588
Less accumulated depreciation for:				
Buildings	$ 2,111,882	$ 185,430	$ -	$ 2,297,312
Improvements other than buildings	2,478,612	312,505	-	2,791,117
Machinery and equipment	1,313,277	72,549	11,445	1,374,381
Guns	16,602	2,025	392	18,235
Vehicles	2,132,023	168,997	86,662	2,214,358
Utility fund asset	220,690	14,962	-	235,652
Total accumulated depreciation	$ 8,273,086	$ 756,468	$ 98,499	$ 8,931,055
Total capital assets being depreciated, net	$ 14,083,369	$ (270,739)	$ (97)	$ 13,812,533

	Beginning Balance	Increase	Decrease	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 57,221	$ -	$ -	$ 57,221
Construction in progress	241,209	130,435	356,384	15,260
Total capital assets not being depreciated	$ 298,430	$ 130,435	$ 356,384	$ 72,481
Capital assets being depreciated				
Utility plant and improvements	$ 36,166,347	$ 479,165	$ -	$ 36,645,512
Furniture and equipment	84,794	-	-	84,794
Vehicles	334,651	-	-	334,651
Total capital assets being depreciated	$ 36,585,792	$ 479,165	$ -	$ 37,064,957
Less accumulated depreciation for:				
Utility plant and improvements	$ 24,480,959	$ 792,433	$ -	$ 25,273,392
Furniture and equipment	72,030	2,623	-	74,653
Vehicles	250,826	32,536	-	283,362
Total accumulated depreciation	$ 24,803,815	$ 827,592	$ -	$ 25,631,407
Total business-type assets being depreciated, net	$ 11,781,977	$ (348,427)	$ -	$ 11,433,550

Depreciation expense of $756,468 for the year ended September 30, 2020, was charged to the following governmental functions:

Public works	$ 288,439
Public safety	198,264
General administration	43,340
Recreation	150,279
Transit	30,297
Unallocated	45,849
Total	$ 756,468

6. CONSTRUCTION COMMITMENTS

The City has the following active construction projects as of September 30, 2020. The North Street Bridge Project is for major repairs and upgrades to the North Street bridge, the West 8th Street Sewer Rehab Project and the South Texas Street Sewer Rehab Project are for upgrades to both sewer systems, the City Street Overlay Project is for overlaying streets within the city limits with asphalt, and the LCDBG Utility Fund Project is for construction of a Sewer Lift Station on Elm Street. At year-end, the commitments with contractors were as follows:

Projects	Spent to Date	Remaining Commitment
North Street Bridge Project	$ 623,960	$ 126,000
West 8th Street Sewer Rehab	7,583	199,000
South Texas Street Sewer Rehab	7,677	203,000
City Street Overlays	36,885	463,000
LCDBG Utility Fund Project	578,766	558,000

7. INTERFUND TRANSFERS

	Transfer in	Transfer out
HRA fund	$ 10,000	$ -
LCDBG fund	70,591	-
Utility fund	390,000	72,691
General fund	4,199,019	29,800
Sales tax fund	24,000	4,591,119
Total	$ 4,693,610	$ 4,693,610

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

8. ACCOUNTS AND OTHER PAYABLES

The payables of $897,921 at September 30, 2020, are as follows:

	General Fund	Proprietary Fund	Special Revenue Fund	Capital Project Fund	Total
Salaries	$ 108,299	$ 33,987	$ 32,970	$ -	$ 175,256
Payroll withholdings	140,489	33,335	35,255	-	209,079
Accounts	51,492	32,434	380,882	-	464,808
Accrued interest	2,048	-	-	-	2,048
Contracts	-	42,500	-	4,230	46,730
Total	$ 302,328	$ 142,256	$ 449,107	$ 4,230	$ 897,921

9. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended September 30, 2020.

	Proprietary Fund				
	Compensated Absences	Other Postemployment Benefits	Net Pension Liability	Customer Deposits	Total
Long-term obligations at beginning of year	$ 105,794	$ 3,532,833	$ 755,984	$ 158,914	$ 4,553,525
Additions	100,593	-	169,548	27,520	297,661
Reductions	-	(587,116)	-	(24,936)	(612,052)
Principal and other payments	-	(39,575)	(100,878)	-	(140,453)
Compensated absences used	(83,910)	-	-	-	(83,910)
Long-term obligations at end of year	$ 122,477	$ 2,906,142	$ 824,654	$ 161,498	$ 4,014,771

	Governmental Funds				
	Compensated Absences	Other Postemployment Benefits	Net Pension Liability	Bonded Debt	Total
Long-term obligations at beginning of year	$ 659,968	$ 14,455,118	$ 6,726,078	$ 300,000	$ 22,141,164
Additions	425,349	-	1,595,098	-	2,020,447
Reductions and adjustments	-	(2,279,087)	-	-	(2,279,087)
Principal and other payments	-	(163,582)	(837,229)	(50,000)	(1,050,811)
Compensated absences used	(404,409)	-	-	-	(404,409)
Long-term obligations at end of year	$ 680,908	$ 12,012,449	$ 7,483,947	$ 250,000	$ 20,427,304

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of September 30, 2020:

	Proprietary Fund				
	Compensated Absences	Other Postemployment Benefits	Net Pension Liability	Customer Deposits	Total
Current portion	$ -	$ -	$ -	$ -	$ -
Long-term portion	122,477	2,906,142	824,654	161,498	4,014,771
Total	$ 122,477	$ 2,906,142	$ 824,654	$ 161,498	$ 4,014,771

	Governmental Funds				
	Compensated Absences	Other Postemployment Benefits	Net Pension Liability	Bonded Debt	Total
Current portion	$ -	$ -	$ -	$ 50,000	$ 50,000
Long-term portion	680,908	12,012,709	7,483,947	200,000	20,377,564
Total	$ 680,908	$ 12,012,709	$ 7,483,947	$ 250,000	$ 20,427,564

Bonded debt is comprised of the following issue at September 30, 2020:

Bonded Debt – Governmental Funds:

$500,000 Series 2014 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds Due in annual installments of $50,000 through December 1, 2024: Interest at the rate of 3.25%	$250,000

The annual requirements to amortize all bonds and certificates of indebtedness outstanding at September 30, 2020, for the City of DeRidder is as follows:

Year Ending September 30,	Principal Payments	Interest Payments	Total
2021	$ 50,000	$ 7,312	$ 57,312
2022	50,000	5,687	55,687
2023	50,000	4,062	54,062
2024	50,000	2,437	52,437
2025	50,000	812	50,812
Total	$ 250,000	$ 20,310	$ 270,310

In accordance with R.S. 39:562, the City is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At September 30, 2020, the statutory limit is $27,435,720 and outstanding bonded debt totals $250,000.

10. FUND BALANCES

The governmental funds had fund balances as follows:

	General Fund	Sales Tax Fund	HRA Fund	LCDBG Fund	Total
Fund Balances:					
Restricted for:					
Sales taxes	$ -	$ 3,412,240	$ -	$ -	$ 3,412,240
Bond retirement	101,578	-	-	-	101,578
Police/Fire capital improvements	603,530	-	-	-	603,530
Employee benefit payments	-	-	4,632	-	4,632
Assigned to:					
Perpetual care	125,470	-	-	-	125,470
Transit services	64,060	-	-	-	64,060
Unassigned:	1,042,118	-	-	5	1,042,123
Total fund balances	$ 1,936,756	$ 3,412,240	$ 4,632	$ 5	$ 5,353,633

11. RETIREMENT SYSTEMS

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

A. Municipal Employees Retirement System of Louisiana (System)

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

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

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

Funding Policy. Under Plan B, members are required by state statute to contribute 5% of their annual covered salary and the City of DeRidder is required to contribute at an actuarially determined rate. The current rate is 15.50% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of DeRidder are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of DeRidder's contributions to the System under Plan B for the years ending September 30, 2020, 2019 and 2018, were $269,155, $244,700, and $245,038, respectively, equal to the required contributions for each year.

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

At September 30, 2019, the City reported a liability of $2,143,626 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2020 the City's proportion was 2.365442%, which was an increase of .084117 % from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the City recognized pension expense of $413,750. At September 30, 2020, the City recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 36,068
Changes of assumptions	66,434	-
Net difference between projected and actual earnings on pension plan investments	232,722	-
Changes in proportion and differences between City contributions and proportionate share of contributions	43,077	48,789
City contributions subsequent to the measurement date	62,972	-
Total	$ 405,205	$ 84,857

The $62,972 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2021	80,935
2022	89,333
2023	53,020
2024	34,088
Total	$ 257,376

Actuarial Methods and Assumptions

Net Pension Liability

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

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

	Plan B June 30, 2020
Total pension liability	$ 6,353,500
Plan fiduciary net position	(4,209,874)
City's net pension liability	$ 2,143,626
Plan fiduciary net position as a % of the total pension liability	66.26%

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Information on the actuarial valuation and assumptions is as follows:

Valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal Cost
Expected remaining service lives	3 years
Investment rate of return	6.95% net of pension plan investment expense, including inflation
Inflation Rate	2.5%
Salary increases, including inflation and merit increases:	
- 1 to 4 years of service	7.40%
- More than 4 years of service	4.90%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.

Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with full generational MP2018 scale.

Discount Rate

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	53.00%	2.33%
Public fixed income	38.00%	1.67%
Alternatives	9.00%	0.40%
Totals	100.00%	4.40%
Inflation		2.60%
Expected Arithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 6.95% for the years ended June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates which are calculation in accordance with relevant statutes and approval by the Board of Trustees and the Public Retirement System's Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the City of DeRidder calculated using the discount rate of 6.95%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.95%, or one percentage point higher 7.95% than the current discount rate (assuming all other assumptions remain unchanged):

	Changes in Discount Rate:		
	1.00% Decrease 5.95%	Current Discount Rate 6.95%	1.00% Increase 7.95%
Net Pension Liability	$ 2,853,566	$ 2,143,626	$ 1,542,919

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

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

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Funding Policy. Plan members are required by state statute to contribute 10% and 8% for MPERS and MPERS dispatchers respectively of their annual covered salary and the City of DeRidder is required to contribute at an actuarially determined rate. The current rate is 33.75% and 33.75% for MPERS and MPERS dispatchers respectively of annual covered payroll. The contribution requirements of plan members and the City of DeRidder are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of DeRidder's contributions to the System for the years ending September 30, 2020, 2019 and 2018, were $436,790, $422,659, and $392,552 respectively, equal to the required contributions for each year.

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

At September 30, 2020, the City reported a liability of $3,931,734 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2020 the City's proportion was .425405%, which was an increase of .008863% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the City recognized pension expense of $580,914. At September 30, 2020, the City recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	93,427	97,029
Net difference between projected and actual earnings on pension plan investments	471,690	154,868
Changes in proportion and differences between City contributions and proportionate share of contributions	59,306	5,622
City contributions subsequent to the measurement date	108,952	-
Total	$ 733,375	$ 257,519

The $108,952 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2021	$ 35,596
2022	135,241
2023	106,492
2024	89,575
Total	$ 366,904

Actuarial Methods and Assumptions

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

The components of the net pension liability of the City of DeRidder as of June 30, 2020 are as follows:

Total Pension Liability	$ 13,532,023
Plan Fiduciary Net Pension	(9,600,289)
Total Net Pension Liability	$ 3,931,734

The actuarial assumptions used in the June 30, 2020 valuation were based on the assumptions used in the June 30, 2020 actuarial funding valuation and were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.95%, net of investment expense

Expected Remaining Service Lives	2020 – 4 years 2019 – 4 years 2018 – 4 years 2017 – 4 years	
Inflation Rate	2.50%	
Salary increases, including inflation and merit	Years of Service	Salary Growth Rate
	1 – 2	12.30%
	Above 2	4.70%
Mortality	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Health Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 sale was used. For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used. For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	

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

Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	48.50%	3.08%
Fixed income	33.50%	0.54%
Alternatives	18.00%	1.02%
Other	0.00%	0.00%
Totals	100.00%	4.64%
Inflation		2.55%
Expected Arithmetic Return		7.19%

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the City of DeRidder calculated using the discount rate of 6.95%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.95%, or one percentage point higher 7.95% than the current rate as of June 30, 2020:

	Changes in Discount Rate:		
	1.00% Decrease 5.95%	Current Discount Rate 6.95%	1.00% Increase 7.95%
Net Pension Liability	$ 5,523,667	$ 3,931,734	$ 2,600,944

C. Firefighters' Retirement System of Louisiana

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

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

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the City of DeRidder is required to contribute at an actuarially determined rate. The current rate is 32.25% of annual covered payroll. The contribution requirements of plan members and the City of DeRidder are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of DeRidder's contributions to the System for the years ending September 30, 2020, 2019, and 2018, were $234,385, $216,216, and $214,593, respectively, equal to the required contributions for each year.

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

At September 30, 2020, the City reported a liability of $2,233,241 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net

pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2020, the City's proportion was .322185%, which was a decrease of .012369% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the City recognized pension expense of $321,025. At September 30, 2020, the City recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 142,882
Changes of assumptions	215,884	-
Net difference between projected and actual earnings on pension plan investments	245,938	-
Changes in proportion and differences between City contributions and proportionate share of contributions	7,794	204,369
City contributions subsequent to the measurement date	61,063	-
Total	$ 530,679	$ 347,251

The $61,063 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2021	$ (7,124)
2022	62,934
2023	56,575
2024	17,738
2025	(3,201)
2026	(4,557)
Total	$ 122,365

Actuarial Methods and Assumptions

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

The components of the net pension liability of the City of DeRidder as of June 30, 2020 are as follows:

Total Pension Liability	$ 8,154,002
Plan Fiduciary Net Pension	(5,920,761)
Total Net Pension Liability	$ 2,233,241

The actuarial assumptions used in the June 30, 2020 valuation were based on the assumptions used in the June 30, 2020 actuarial funding valuation, and were based on results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	7 years, closed period
Investment Rate of Return (discount rate)	7.00% per annum (net of investment expenses, including inflation) (decreased from 7.15% in 2019)
Inflation Rate	2.50% per annum
Salary Increases	14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases (in 2019, salary increases ranged from 14.75% in the first two years of service to 4.50% with 25 or more years of service)
Cost of Living Adjustments (COLAs)	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.

The mortality rate assumptions were updated in fiscal year 2020 to reflect changes from the recent experience study and rates set in the Pub-2010 Public Retirement Plans mortality tables, as compared to the RP-2000 Combined Healthy and Disabled Lives tables that were used for the previous valuation. For the June 30, 2020 valuation, assumptions for mortality rates were based on the following:

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

The estimated long-term expected rate of return on pension plan investments was determined by the Systems actuary using the System's target asset allocation and the G.S. Curran & Company Consultant Average study for 2020. The consultants' average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long term inflation assumption. Where nominal returns were geometric, the actuary converted the return to the long term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2020.

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. Prior year's financial reports presented the long-term expected real rate of return provided by the System's investment consultant, whereas this

year's report presents this information for both fiscal years 2020 and 2019 from the System's actuary. The actuary's method incorporates information from multiple consultants and investment firms regarding future expected rates of return, variances, and correlation coefficients for each asset class. The actuary's method integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 and June 30, 2019, are summarized in the following tables:

As of June 30, 2020

	Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	26.00%	5.72%
	Non-U.S. Equity	12.00%	6.24%
	Global Equity	10.00%	6.23%
	Emerging Market Equity	6.00%	8.61%
Fixed Income	U.S. Core Fixed Income	26.00%	1.00%
	Emerging Market Debt	5.00%	3.40%
Multi-Asset Strategies	Global Tactical Asset Allocation	0.00%	4.22%
	Risk Parity	0.00%	4.22%
Alternatives	Real Estate	6.00%	4.20%
	Private Equity	9.00%	10.29%
		100.00%	

As of June 30, 2019

	Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	21.50%	5.74%
	Non-U.S. Equity	12.00%	6.57%
	Global Equity	10.00%	6.30%
	Emerging Market Equity	5.50%	8.31%
Fixed Income	U.S. Core Fixed Income	26.00%	1.70%
	Emerging Market Debt	5.00%	3.49%
Multi-Asset Strategies	Global Tactical Asset Allocation	5.00%	2.73%
	Risk Parity	5.00%	2.73%
Alternatives	Real Estate	6.00%	4.19%
	Private Equity	4.00%	8.84%
		100.00%	

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the City of DeRidder calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.00%, or one percentage point higher 8.00% than the current rate as of June 30, 2020:

	Changes in Discount Rate:		
	1.00% Decrease 6.00%	Current Discount Rate 7.00%	1.00% Increase 8.00%
Net Pension Liability	$ 3,225,895	$ 2,233,241	$ 1,404,668

12. Other Post-Employment Benefits

The City provides certain continuing health care and life insurance benefits for the City's retired employees. Substantially all of the City's employees become eligible for these benefits if they reach normal retirement age while working for the City. Those benefits for retirees are provided through Humana, United Healthcare, Delta and Dearborn National whose monthly premiums are paid by the City. The City pays the premiums on a "pay-as-you-go" basis. For the year ended September 30, 2020, there were forty-one retirees and the costs of their benefits totaled $203,157.

Relationship Between Valuation Date, Measurement Date, and Reporting Date

The Valuation Date is October 1, 2019. This is the date as of which the actuarial valuation is performed. The Measurement Date is September 30, 2020. This is the date as of which the total OPEB liability is determined. The Reporting Date is September 30, 2020. This is the plan's and/or employer's fiscal year ending date.

Significant Changes

There have been no significant changes between the valuation date and fiscal year end.

Participant Data as of October 1, 2019

Actives	88
Retirees	41
Beneficiaries	4
Spouses of Retirees	8
Total	141

OPEB Expense	October 1, 2018 to September 30, 2019	October 1, 2019 to September 30, 2020
Service cost	$ 703,377	$ 1,271,527
Interest on total OPEB liability	542,463	509,618
Effect of plan changes	-	-
Recognition of Deferred Inflows/Outflows of Resources:		
Recognition of economic/demographic gains or losses	(390,254)	(540,743)
Recognition of assumption changes or inputs	517,956	22,980
OPEB Expense	$ 1,373,542	$ 1,263,382

As of September 30, 2020, the deferred inflows and outflows of resources are as follows:

Deferred Inflows/Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ 1,674,515	$ -
Changes of assumptions	3,856,925	2,704,919
Total	$ 5,531,440	$ 2,704,919

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other post-employment benefits will be recognized in OPEB expense as follows:

Year ended September 30:	
2021	$ 517,763
2022	437,264
2023	(193,994)
2024	645,465
2025	645,465
Thereafter	774,558

Total OPEB Liability

Total OPEB Liability	September 30, 2019	September 30, 2020
Total OPEB liability	$ 17,987,951	$ 14,918,591
Covered payroll	4,267,068	4,788,486
Total OPEB liability as a % of covered payroll	421.55%	311.55%

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 75.

Discount rate	September 30, 2019	September 30, 2020
Discount rate	2.66%	2.21%
20 Year Tax-Exempt Municipal Bond Yield	2.66%	2.21%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Other Key Actuarial Assumptions

The plan has not had a formal actuarial experience study performed.

Valuation date	October 1, 2018	October 1, 2019
Measurement date	September 30, 2019	September 30, 2020
	Entry Age Normal	Entry Age Normal

Actuarial cost method		
Inflation	2.30%	2.20%
Medical Trend Rate	See "Actuarial Assumptions" for details	See "Actuarial Assumptions" for details
Salary increases including inflation	3.00%	3.00%

Changes in Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
Changes in Total OPEB Liability	
Balance as of September 30, 2019	$ 17,987,951
Changes for the year:	
Service cost	1,271,527
Interest on total OPEB liability	509,618
Effect of plan changes	-
Effect of economic/demographic gains or losses	(1,083,520)
Effect of assumptions changes or inputs	-
Claims cost	(4,039,384)
Trend rates	(899,107)
Mortality table	176,554
Discount rate	1,198,109
Net assumption rate	(2,866,203)
Benefit payments	(203,157)
Balance as of September 30, 2020	$ 14,918,591

Sensitivity Analysis

The following presents the total OPEB liability of the City of DeRidder, calculated using the discount rate of 2.21%, as well as what the City of DeRidder's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower 1.21% or 1 percentage point higher 3.21% than the current rate.

	1.00% Decrease 1.21%	Discount Rate 2.21%	1.00% Increase 3.21%
Total OPEB liability	$ 18,175,598	$ 14,918,591	$ 12,437,495

The following presents the total OPEB liability of the City of DeRidder, calculated using the current healthcare cost trend rates as well as what the City of DeRidder's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1.00% Decrease	Current Trend Rate	1.00% Increase
Total OPEB liability	$ 12,142,832	$ 14,918,591	$ 18,691,913

13. Deferred Compensation

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

The Louisiana Deferred Compensation Plan provides state, parish, and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal and state income tax on their contributions. In addition, interest or earnings on the account accumulates tax-deferred. Participants may join the plan with as little as $10 per pay period, or $20 per month, and contribute up to a maximum of 25% of taxable compensation, not to exceed $19,000 for calendar year 2019 and $19,500 for calendar year 2020 for those participants under age 50. For participants age 50 and older, the limit is $25,000 for calendar year 2019 and $26,000 for calendar year 2020.

A special "catch-up" provision may be used to invest up to $36,000 per year for the three years prior to retirement. Any amount excluded from gross income through salary reduction under a 403(b) annuity, a 401(k) profit-sharing plan or a Simplified Employee Pension (SEP) is to be treated as amounts deferred under this deferred compensation plan. Participants joining the Plan may choose the amount to contribute and the investment option(s). They may revise their choice at any time, transfer monies to other available investment options and may increase, decrease or stop deferrals at any time. The Plan offers both a guaranteed option and variable investment options, from which participants may select a fund or combination of funds to satisfy their personal investment objectives. Each of the funds has independent investment objectives and utilizes different investment strategies. With the exception of the Great-West Guaranteed Fund, the remaining investments options are variable in nature. Values of the variable options are not guaranteed as to a fixed dollar amount and may increase or decrease according to the investment experience of the underlying portfolio. The expense to administer the Plan is borne by all participants. The administrative fee is based on the investments selected and is assessed on each of the options selected. The variable options also have investment management fees that vary based upon the options chosen. Both the administrative and investment management fees are calculated and deducted daily on a pro-rata basis. There are no annual contract charges or transaction charges. At retirement, 100% of the account value will be applied to any of the following settlement options chosen. These options include among others:

- Periodic payment
- Payments over your lifetime
- Payments for a specific time or amount
- Joint and survivor benefits
- Lump-sum payment
- Any combination of the above option

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

REQUIRED SUPPLEMENTAL INFORMATION

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts			Budget to Actual differences over
	Original	Final	Actual Amount	(under)
Revenues				
Taxes:				
Ad valorem	$ 828,000	$ 796,600	$ 796,620	$ 20
Insurance premium tax	46,000	46,300	46,254	(46)
Chain store tax	17,000	-	-	-
Franchise tax	575,000	516,600	516,582	(18)
Alcohol tax	21,000	21,700	21,677	(23)
Intergovernmental:				
Federal grants	158,000	277,600	656,203	378,603
State grants	25,000	417,600	26,290	(391,310)
Local grants	32,000	104,800	104,759	(41)
Occupational licenses and permits	613,300	621,100	621,070	(30)
Fees and charges for services	213,400	94,800	107,323	12,523
Investment income	6,500	174,500	174,552	52
Rental income	54,000	48,300	48,300	-
Donations	31,500	24,800	24,782	(18)
Unclaimed property	-	11,200	11,172	(28)
Total revenues	$ 2,620,700	$ 3,155,900	$ 3,155,584	$ (316)
Expenditures				
Current operating:				
General government	$ 1,090,900	$ 1,205,000	$ 1,205,694	$ (694)
Public safety	4,744,100	4,663,400	4,669,373	(5,973)
Culture & recreation	175,200	121,700	121,625	75
Transit	314,300	253,500	253,852	(352)
Debt service:				
Principal	50,000	50,000	50,000	-
Interest and charges	9,000	9,100	9,095	5
Capital outlay	321,500	373,000	373,204	(204)
Total expenditures	$ 6,705,000	$ 6,675,700	$ 6,682,843	$ (7,143)
Excess (deficiency) of revenues over expenditures	$ (4,084,300)	$ (3,519,800)	$ (3,527,259)	$ (7,459)
Other financing sources (uses):				
Transfers in	$ 3,326,700	$ 4,199,000	$ 4,199,019	$ 19
Transfers out	(24,000)	(29,800)	(29,800)	-
Sale of assets	28,000	38,500	39,626	1,126
Insurance proceeds	18,000	55,000	55,036	36
Total other financing sources (uses)	$ 3,348,700	$ 4,262,700	$ 4,263,881	$ 1,181
Net change in fund balance	$ (735,600)	$ 742,900	$ 736,622	$ (6,278)
Fund balances at beginning of year	1,200,000	1,200,134	1,200,134	-
Fund balances at end of year	$ 464,400	$ 1,943,034	$ 1,936,756	$ (6,278)

Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts			
	Original	Final	Actual Amount	Budget to Actual differences over (under)
Revenues				
Taxes:				
Sales	$ 6,500,000	$ 8,478,500	$ 8,478,480	$ (20)
Fees and charges for services	14,600	14,600	14,580	(20)
Investment income	7,000	110,900	110,848	(52)
Miscellaneous	500	-	-	-
Total revenues	$ 6,522,100	$ 8,604,000	$ 8,603,908	$ (92)
Expenditures				
General government	$ 620,400	$ 731,700	$ 744,931	$ (13,231)
Public works	2,475,200	2,378,000	2,360,090	17,910
Capital outlay	1,176,000	690,100	707,890	(17,790)
Total expenditures	$ 4,271,600	$ 3,799,800	$ 3,812,911	$ (13,111)
Excess (deficiency) of revenues over expenditures	$ 2,250,500	$ 4,804,200	$ 4,790,997	$ (13,203)
Other financing sources (uses):				
Transfers in	$ 24,000	$ 24,000	$ 24,000	$ -
Transfers out	(3,566,700)	(4,591,100)	(4,591,119)	(19)
Insurance proceeds	-	30,700	30,685	(15)
Gain on sale of assets	3,000	-	-	-
Total other financing sources (uses)	$ (3,539,700)	$ (4,536,400)	$ (4,536,434)	$ (34)
Net change in fund balance	$ (1,289,200)	$ 267,800	$ 254,563	$ (13,237)
Fund balances at beginning of year	3,000,000	3,157,677	3,157,677	-
Fund balances at end of year	$ 1,710,800	$ 3,425,477	$ 3,412,240	$ (13,237)

Schedule of the City's Proportionate Share of the Net Pension Liability
For the Year Ended September 30, 2020

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

(Continued)

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

Schedule of the City's Proportionate Share of the Net Pension Liability
For the Year Ended September 30, 2020

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

(Continued)

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

Schedule of the City's Proportionate Share of the Net Pension Liability
For the Year Ended September 30, 2020

Municipal Employees' Retirement System	September 30, 2020
City's proportion of the net pension liability (asset)	2.365442%
City's proportionate share of the net pension liability (asset)	$ 2,143,626
City's covered-employee payroll	$ 1,736,487
City's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	123.45%
Plan fiduciary net position as a percentage of the total pension liability	66.26%
Municipal Police Employees' Retirement System	
City's proportion of the net pension liability (asset)	.425405%
City's proportionate share of the net pension liability (asset)	$ 3,931,734
City's covered-employee payroll	$ 1,294,191
City's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	303.80%
Plan fiduciary net position as a percentage of the total pension liability	70.94%

(Continued)

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

Schedule of the City's Proportionate Share of the Net Pension Liability
For the Year Ended September 30, 2020

Firefighters' Retirement System	September 30, 2020
City's proportion of the net pension liability (asset)	.322185%
City's proportionate share of the net pension liability (asset)	$ 2,233,241
City's covered-employee payroll	$ 726,775
City's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	307.28%
Plan fiduciary net position as a percentage of the total pension liability	72.61%

(Concluded)

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

Schedule of the City's Pension Contributions
For the Year Ended September 30, 2020

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

(Continued)

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

Schedule of the City's Pension Contributions
For the Year Ended September 30, 2020

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

(Concluded)

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

Schedule of the City's Pension Contributions
For the Year Ended September 30, 2020

Municipal Employees' Retirement System	September 30 2020
Contractually required contribution	$ 269,155
Contributions in relation to the contractually required contribution	269,155
Contribution deficiency (excess)	$ -
City's covered-employee payroll	$ 1,736,487
Contributions as a percentage of covered-employee payroll	15.50%
Municipal Police Employees' Retirement System	
Contractually required contribution	$ 436,790
Contributions in relation to the contractually required contribution	436,790
Contribution deficiency (excess)	$ -
City's covered-employee payroll	$ 1,294,191
Contributions as a percentage of covered-employee payroll	33.75%

(Continued)

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

Schedule of the City's Pension Contributions
For the Year Ended September 30, 2020

Firefighters' Retirement System	September 30 2020
Contractually required contribution	$ 234,385
Contributions in relation to the contractually required contribution	234,385
Contribution deficiency (excess)	$ -
City's covered-employee payroll	$ 726,755
Contributions as a percentage of covered-employee payroll	32.25%

(Concluded)

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

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended September 30, 2020

	September 30, 2019	September 30, 2020
Total OPEB Liability		
Service cost	$ 703,377	$ 1,271,527
Interest on total OPEB liability	542,463	509,618
Effect of plan changes	-	-
Effect of economic/demographic gains or (losses)	-	(1,083,520)
Effect of assumption changes or inputs:		
Claims cost	-	(4,039,384)
Trend rates	-	(899,107)
Mortality table	(29,255)	176,554
Discount rate	4,599,634	1,198,109
Benefit payments	(202,884)	(203,157)
Net change in total OPEB liability	$ 5,613,335	$ (3,069,360)
Total OPEB liability - beginning	$ 12,374,616	$ 17,987,951
Total OPEB liability - ending	$ 17,987,951	$ 14,918,591
Covered payroll	$ 4,267,068	$ 4,788,486
Total OPEB liability as a percentage of covered payroll	421.55%	311.55%

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

OTHER SUPLEMENTAL SCHEDULES

Non-major Funds

Non-major Special Revenue Fund

Health Reimbursement Arrangement (HRA) Fund – Employees eligible to receive benefits from United Health Care will have health reimbursement accounts established in their names. The employees are entitled to receive reimbursements from this account for eligible expenses incurred subject to certain limits depending on the covered persons in the plan.

Non-major Capital Projects Fund

Louisiana Community Development Block Grant (LCDBG) Fund – The LCDBG Fund is established to account for LCDBG grant funds along with City matching funds for a sewer lift station replacement at Elm Street. At the completion of the project, the new lift station will be transferred to fixed assets.

Balance Sheet
Non-major Governmental Funds
For the Year Ended September 30, 2020

	Non-major Special Revenue Fund HRA Fund	Non-major Capital Project Fund LCDBG Fund	Total
ASSETS			
Cash and cash equivalents	$ 4,632	$ 174,171	$ 178,803
Grants receivable	-	4,230	4,230
Total assets	$ 4,632	$ 178,401	$ 183,033
LIABILITIES AND FUND BALANCES			
Liabilities:			
Contracts payable	$ -	$ 4,230	$ 4,230
Due to other funds	-	174,166	174,166
Total liabilities	$ -	$ 178,396	$ 178,396
Fund Balances:			
Restricted	$ 4,632	$ -	$ 4,632
Unrestricted	-	5	5
Total fund balances	$ 4,632	$ 5	$ 4,637
Total liabilities and fund balances	$ 4,632	$ 178,401	$ 183,033

Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended September 30, 2020

	Non-major Special Revenue Fund HRA Fund	Non-major Capital Project Fund LCDBG Fund	Total
Revenues			
Intergovernmental:			
Federal grants	$ -	$ 461,617	$ 461,617
Investment income	52	-	52
Total revenues	$ 52	$ 461,617	$ 461,669
Expenditures			
Engineering and administration fees	$ -	$ 70,591	$ 70,591
Construction cost	-	461,617	461,617
Administration fees	4,640	-	4,640
Deductible sharing fees	39,981	-	39,981
Total expenditures	$ 44,621	$ 532,208	$ 576,829
Excess (deficiency) of revenues over expenditures	$ (44,569)	$ (70,591)	$ (115,160)
Other financing sources (uses)			
Transfers in	$ 10,000	$ 70,591	$ 80,591
Net change in fund balances	$ (34,569)	$ -	$ (34,569)
Fund balances at beginning of year	39,201	5	39,206
Fund balances at end of year	$ 4,632	$ 5	$ 4,637

Schedule of Compensation of Board Members
For the Fiscal Year Ended September 30, 2020

Vincent Labue	$	7,200
Charles Larken		7,200
Gordon Jenkins		6,000
Keith Hooper		7,200
Kimaron Moore		7,200
Estella Scott		1,200
Julian Williams		7,200
John Marcello		1,200
Lydia Reynolds		6,000
	$	50,400

Schedule of Compensation, Benefits and
Other Payments to Agency Head
For the Fiscal Year Ended September 30, 2020

Mayor Misty Clanton

Purpose	Amount
Salary	$ 75,343
Benefits - dental insurance	577
Benefits - retirement	10,709
Benefits - deferred compensation	2,600
Car allowance	7,293
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

OTHER REPORTS

Schedule of Prior Year Audit Findings
For the Year Ended September 30, 2020

There were no prior year audit findings as of September 30, 2019.

Schedule of Current Year Audit Findings and Management's Response
For the Year Ended September 30, 2020

There were no current year audit findings as of September 30, 2020.

Windham & Reed, L.L.C.

Certified Public Accountants

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA
Charles M. Reed, Jr., CPA

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

The Honorable Misty Clanton, Mayor
and the Members of the City Council
DeRidder, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of DeRidder, Louisiana as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of DeRidder, Louisiana's basic financial statements, and have issued our report thereon dated March 24, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

The Honorable Misty Clanton, Mayor
and Members of the City Council
DeRidder, Louisiana

Purpose of this Report

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

John A. Windham, CPA

DeRidder, Louisiana
March 24, 2021

Windham & Reed, L.L.C.

Certified Public Accountants

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA
Charles M. Reed, Jr., CPA

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

The Honorable Misty Clanton, Mayor
and the Members of the City Council
DeRidder, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of DeRidder, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of DeRidder, Louisiana's major federal programs for the year ended September 30, 2020. City of DeRidder, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of DeRidder, Louisiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of DeRidder, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination for the City of DeRidder, Louisiana's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of DeRidder, Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

The Honorable Misty Clanton, Mayor
and Members of the City Council
DeRidder, Louisiana

Report on Internal Control over Compliance

Management of the City of DeRidder, Louisiana is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of DeRidder, Louisiana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of DeRidder, Louisiana's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

John A. Windham, CPA

DeRidder, Louisiana
March 24, 2021

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Grantor and Number	Federal Expenditures($)
Highway Planning and Construction Cluster-Cluster			
Department of Transportation			
Highway Planning and Construction			
Highway Planning and Construction	20.205		77,429
Total Highway Planning and Construction			77,429
Total Department of Transportation			77,429
Total Highway Planning and Construction Cluster-Cluster			77,429
Highway Safety Cluster-Cluster			
Department of Transportation			
Occupant Protection Incentive Grants			
Occupant Protection Incentive Grants	20.602	Louisiana Highway Safety Commision	4,447
Total Occupant Protection Incentive Grants			4,447
Total Department of Transportation			4,447
Total Highway Safety Cluster-Cluster			4,447
Other Programs			
United States Department of Justice			
Bulletproof Vest Partnership Program			
Bulletproof Vest Partnership Program	16.607		2,993
Total Bulletproof Vest Partnership Program			2,993
Total United States Department of Justice			2,993
Department of Transportation			
Formula Grants for Rural Areas and Tribal Transit Program			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Louisiana Department of Transportation and Development	180,027
Total Formula Grants for Rural Areas and Tribal Transit Program			180,027
Total Department of Transportation			180,027
Department of Housing and Urban Development			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Louisiana community Development Block Grant	461,617
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii			461,617
Total Department of Housing and Urban Development			461,617

(Continued)

The accompanying notes are an integral part of this schedule.

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Grantor and Number	Federal Expenditures($)
Department of the Treasury			
Coronavirus Relief Fund			
Coronavirus Relief Fund	21.019		391,306
Total Coronavirus Relief Fund			391,306
Total Department of the Treasury			391,306
Total Other Programs			1,035,943
Total Expenditures of Federal Awards			$ 1,117,819

(Concluded)

The accompanying notes are an integral part of this schedule.

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

Note A. Scope of Audit

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

Summary of significant accounting policies:

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

Note B. Schedule of Expenditures of Federal Awards

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

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

Note C. Major Federal Awards Program

The City's major federal awards program for the year ended September 30, 2020 was determined based on program activity. The City's major program for the year ended September 30, 2020 consisted of a federally assisted high risk "Type A" program.

Note D. Subsequent Events

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

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2020

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the primary government financial statements of the City of DeRidder as of and for the year ended September 30, 2020.

2. The audit disclosed no significant deficiencies or material weaknesses in internal control.

3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

4. The audit did not disclose any significant deficiencies or material weaknesses in internal control over major programs.

5. An unmodified opinion was issued on compliance for major programs.

6. The audit did not disclose findings related to federal awards that are required to be reported in accordance with the Uniform Guidance.

7. The following program was major for the year ended September 30, 2020:

   Community Development Block Grant – CFDA #14.228

8. $750,000 was the threshold used to distinguish Type A and Type B programs.

9. The City of DeRidder, Louisiana did not qualify as a low-risk auditee.