

CITY OF LEESVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2020

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(continued)

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INDEPENDENT AUDITOR'S REPORT

The Honorable Rick Allen, Mayor
and Members of the City Council
City of Leesville, 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 Leesville, Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Leesville, Louisiana'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 Leesville, Louisiana, as of June 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 budgetary comparison schedules, schedule of changes in total OPEB liability and related ratios, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 54 - 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The City of Leesville, Louisiana 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 omitted information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Leesville, Louisiana's basic financial statements. The combining and comparative statements and various schedules included in other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and comparative statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these combining and comparative statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The prior year comparative information on the combining and comparative statements has been derived from the City of Leesville, Louisiana's 2019 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements from which they were derived.

The various schedules included in other supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated November 10, 2020, on our consideration of the City of Leesville, 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 the effectiveness of the City of Leesville, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Leesville, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 10, 2020

BASIC FINANCIAL STATEMENTS

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

CITY OF LEESVILLE, LOUISIANA

Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 3,651,625	\$ -	\$ 3,651,625
Receivables, net	566,989	388,894	955,883
Due from other governmental agencies	72,083	871,333	943,416
Inventories	149,526	-	149,526
Other assets	65,601	11,589	77,190
Total current assets	<u>4,505,824</u>	<u>1,271,816</u>	<u>5,777,640</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	500,602	1,602,829	2,103,431
Capital assets:			
Land and construction in progress	484,817	423,181	907,998
Capital assets, net	<u>14,745,642</u>	<u>17,564,728</u>	<u>32,310,370</u>
Total noncurrent assets	<u>15,731,061</u>	<u>19,590,738</u>	<u>35,321,799</u>
Total assets	<u>20,236,885</u>	<u>20,862,554</u>	<u>41,099,439</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plans	<u>1,600,387</u>	<u>174,605</u>	<u>1,774,992</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	240,894	123,375	364,269
Interest payable	14,073	7,682	21,755
Advance fuel sales	76,010	-	76,010
Internal balances	2,264,034	(2,264,034)	-
Customer deposits payable	-	237,715	237,715
Bonds, notes, and leases due within one year	<u>574,811</u>	<u>517,348</u>	<u>1,092,159</u>
Total current liabilities	<u>3,169,822</u>	<u>(1,377,914)</u>	<u>1,791,908</u>
Noncurrent liabilities:			
Compensated absences payable	317,407	49,700	367,107
Bonds, notes, and leases due after one year	1,843,456	4,229,614	6,073,070
OPEB obligation payable	1,194,398	278,693	1,473,091
Net pension liability	<u>4,634,473</u>	<u>652,245</u>	<u>5,286,718</u>
Total noncurrent liabilities	<u>7,989,734</u>	<u>5,210,252</u>	<u>13,199,986</u>
Total liabilities	<u>11,159,556</u>	<u>3,832,338</u>	<u>14,991,894</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Plans	829,480	32,613	862,093
OPEB obligation	<u>1,131</u>	<u>264</u>	<u>1,395</u>
Total deferred inflows of resources	<u>830,611</u>	<u>32,877</u>	<u>863,488</u>
NET POSITION			
Net investment in capital assets	13,305,200	14,610,201	27,915,401
Restricted for debt service	363,763	-	363,763
Restricted for capital projects	796,231	-	796,231
Restricted for sales tax dedications	95,928	-	95,928
Unrestricted	<u>(4,714,017)</u>	<u>2,561,743</u>	<u>(2,152,274)</u>
Total net position	<u>\$ 9,847,105</u>	<u>\$ 17,171,944</u>	<u>\$ 27,019,049</u>

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

CITY OF LEESVILLE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2020

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,270,054	\$ 434,951	\$ -	\$ -	\$ (835,103)	\$ -	\$ (835,103)
Public safety	3,832,110	191,831	218,054	-	(3,422,225)	-	(3,422,225)
Public works	1,254,989	-	9,190	-	(1,245,799)	-	(1,245,799)
Economic development	627,928	215,572	-	176,171	(236,185)	-	(236,185)
Culture and recreation	640,278	6,090	-	-	(634,188)	-	(634,188)
Interest on long-term debt	80,448	-	-	-	(80,448)	-	(80,448)
Total governmental activities	<u>7,705,807</u>	<u>848,444</u>	<u>227,244</u>	<u>176,171</u>	<u>(6,453,948)</u>	<u>-</u>	<u>(6,453,948)</u>
Business-type activities:							
Sewer	1,254,160	934,565	-	-	-	(319,595)	(319,595)
Water	1,292,963	1,533,877	-	634,668	-	875,582	875,582
Fort Polk Vegetation Control	2,244,132	3,032,293	-	-	-	788,161	788,161
Total business-type activities	<u>4,791,255</u>	<u>5,500,735</u>	<u>-</u>	<u>634,668</u>	<u>-</u>	<u>1,344,148</u>	<u>1,344,148</u>
Total	<u>\$ 12,497,062</u>	<u>\$ 6,349,179</u>	<u>\$ 227,244</u>	<u>\$ 810,839</u>	<u>(6,453,948)</u>	<u>1,344,148</u>	<u>(5,109,800)</u>
General revenues:							
Taxes -							
Ad valorem taxes, levied for general maintenance					374,697	-	374,697
Ad valorem taxes, levied for street improvements					241,773	-	241,773
Ad valorem taxes, levied for sewer system					-	148,253	148,253
Sales and use taxes, levied for public works and recreation					3,158,177	-	3,158,177
Sales and use taxes, levied for public safety					1,555,520	-	1,555,520
Franchise taxes					436,171	-	436,171
Grants and contributions not restricted to specific programs -							
State sources					19,114	-	19,114
Interest and investment earnings					11,140	1,427	12,567
Nonemployer pension contribution					133,266	15,673	148,939
Miscellaneous					175,672	4,305	179,977
Transfers					650,000	(650,000)	-
Total general revenues and transfers					<u>6,755,530</u>	<u>(480,342)</u>	<u>6,275,188</u>
Change in net position					301,582	863,806	1,165,388
Net position - July 1, 2019, as restated					<u>9,545,523</u>	<u>16,308,138</u>	<u>25,853,661</u>
Net position - June 30, 2020					<u>\$ 9,847,105</u>	<u>\$ 17,171,944</u>	<u>\$ 27,019,049</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

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

Special Revenue Funds

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

Sales Tax Fund

To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes are dedicated and used for the purpose of constructing, improving, extending, and maintaining streets, sidewalks, bridges, drains, subsurface drainage, sewers and sewerage disposal works; fire department stations and facilities; and public parks and recreational facilities, and purchased and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities.

Public Safety Fund

To account for the receipt and use of proceeds of the City's 1/2% sales and use tax. These taxes are dedicated and used for the purpose of improving, operating, and maintaining the public safety services within the City of Leesville, specifically, to provide funds to acquire necessary police and fire protection equipment and other facilities so as to increase the level of services and protection in the City.

Enterprise Funds

Sewer Fund

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

Water Fund

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

Fort Polk Vegetation Control Fund

Support Agreement (IGSA) between the United States Army Garrison - Polk (USAG-Polk) and the City of Leesville, Louisiana. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF LEESVILLE, LOUISIANA

Balance Sheet - Governmental Funds
June 30, 2020

	General	Sales Tax	Public Safety	Other Governmental	Total
ASSETS					
Cash and interest-bearing deposits	\$ 470,449	\$ 2,974,921	\$ -	\$ 206,255	\$ 3,651,625
Receivables -					
Due from other funds	955,930	-	-	533,105	1,489,035
Due from other governmental agencies	5,400	-	13,987	52,696	72,083
Other	116,695	301,697	148,597	-	566,989
Prepaid items	30,395	11,510	23,696	-	65,601
Inventories	149,526	-	-	-	149,526
Restricted cash and interest-bearing deposits	-	-	-	500,602	500,602
Total assets	<u>\$ 1,728,395</u>	<u>\$ 3,288,128</u>	<u>\$ 186,280</u>	<u>\$ 1,292,658</u>	<u>\$ 6,495,461</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 13,239	\$ 5,217	\$ 2,229	\$ -	\$ 20,685
Accrued liabilities	93,609	80,695	44,705	-	219,009
Contracts and retainage payable	-	-	-	1,200	1,200
Due to other funds	1,010,350	2,567,189	134,449	41,081	3,753,069
Advance fuel sales	76,010	-	-	-	76,010
Total liabilities	<u>1,193,208</u>	<u>2,653,101</u>	<u>181,383</u>	<u>42,281</u>	<u>4,069,973</u>
Fund balances -					
Nonspendable	179,921	11,510	23,696	-	215,127
Restricted for debt service	-	-	-	377,836	377,836
Restricted for capital projects	-	-	-	775,184	775,184
Restricted for sales tax dedications	-	95,928	-	-	95,928
Committed	-	527,589	-	-	527,589
Assigned	-	-	-	21,047	21,047
Unassigned (deficit)	355,266	-	(18,799)	76,310	412,777
Total fund balances	<u>535,187</u>	<u>635,027</u>	<u>4,897</u>	<u>1,250,377</u>	<u>2,425,488</u>
Total liabilities and fund balances	<u>\$ 1,728,395</u>	<u>\$ 3,288,128</u>	<u>\$ 186,280</u>	<u>\$ 1,292,658</u>	<u>\$ 6,495,461</u>

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

CITY OF LEESVILLE, LOUISIANA

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

Total fund balances for governmental funds at June 30, 2020		\$ 2,425,488
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 289,026	
Construction in progress	195,791	
Buildings and improvements, net of \$6,513,264 accumulated depreciation	5,245,589	
Infrastructure, net of \$18,771,647 accumulated depreciation	9,199,101	
Equipment and vehicles, net of \$5,545,494 accumulated depreciation	<u>300,952</u>	15,230,459
Deferred outflows of resources are not available resources, and therefore, are not reported in the funds:		
Pension plans		1,600,387
Some liabilities are not due and payable from current financial resources and are, therefore not reported in the funds. These liabilities consist of the following:		
Compensated absences	(317,407)	
Bonds payable	(827,000)	
Certificates of indebtedness	(1,166,000)	
Capital leases	(425,267)	
Accrued interest payable	(14,073)	
Other post employment benefits	(1,194,398)	
Net pension liability	<u>(4,634,473)</u>	(8,578,618)
Deferred inflows of resources are not payable from current expendable resources, and therefore, are not reported in the funds:		
Pension plans	(829,480)	
Other post employment benefits	<u>(1,131)</u>	<u>(830,611)</u>
Total net position of governmental activities at June 30, 2020		<u>\$ 9,847,105</u>

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

CITY OF LEESVILLE, LOUISIANA

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

	General	Sales Tax	Public Safety	Other Governmental	Total
Revenues:					
Taxes -					
Ad valorem	\$ 374,697	\$ -	\$ -	\$ 241,773	\$ 616,470
Sales	-	3,158,177	1,555,520	-	4,713,697
Franchise	436,171	-	-	-	436,171
Licenses and permits	434,951	-	-	-	434,951
Intergovernmental	29,905	-	218,054	174,570	422,529
Fines and forfeits	-	-	81,144	-	81,144
Charges for services	215,572	6,090	110,687	-	332,349
Miscellaneous	131,674	42,347	11,440	2,977	188,438
Total revenues	<u>1,622,970</u>	<u>3,206,614</u>	<u>1,976,845</u>	<u>419,320</u>	<u>7,225,749</u>
Expenditures:					
Current:					
General government	952,543	209,672	6,980	-	1,169,195
Public safety	-	-	3,468,859	-	3,468,859
Public works	997,746	-	-	4,635	1,002,381
Economic development	216,918	-	-	-	216,918
Culture and recreation	-	419,671	-	-	419,671
Debt service	113,559	7,658	83,771	451,773	656,761
Capital outlay	34,643	1,665	8,875	251,237	296,420
Total expenditures	<u>2,315,409</u>	<u>638,666</u>	<u>3,568,485</u>	<u>707,645</u>	<u>7,230,205</u>
Excess (deficiency) of revenues over expenditures	<u>(692,439)</u>	<u>2,567,948</u>	<u>(1,591,640)</u>	<u>(288,325)</u>	<u>(4,456)</u>
Other financing sources (uses):					
Transfers in	904,981	-	2,335,000	217,583	3,457,564
Transfers out	<u>(129,000)</u>	<u>(2,423,583)</u>	<u>-</u>	<u>(254,981)</u>	<u>(2,807,564)</u>
Total other financing sources (uses)	<u>775,981</u>	<u>(2,423,583)</u>	<u>2,335,000</u>	<u>(37,398)</u>	<u>650,000</u>
Net changes in fund balances	83,542	144,365	743,360	(325,723)	645,544
Fund balances (deficit), beginning, as restated	<u>451,645</u>	<u>490,662</u>	<u>(738,463)</u>	<u>1,576,100</u>	<u>1,779,944</u>
Fund balances, ending	<u>\$ 535,187</u>	<u>\$ 635,027</u>	<u>\$ 4,897</u>	<u>\$ 1,250,377</u>	<u>\$ 2,425,488</u>

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

CITY OF LEESVILLE, LOUISIANA

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

Total net changes in fund balances for the year ended June 30, 2020 per the
statement of revenues, expenditures and changes in fund balances \$ 645,544

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

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on the statement of revenues, expenditures and changes in fund balances	\$ 285,878	
Depreciation expense for the year ended June 30, 2020	<u>(870,294)</u>	(584,416)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal of long-term
debt consumes the current financial resources of governmental funds.
Neither transaction, however, has any effect on net position. Also,
governmental funds report the effect of premiums, discounts, and
similar items when debt is first issued, whereas these amounts are
amortized in the statement of activities over multiple periods.

Repayment of long-term debt		574,025
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Some long-term liabilities are not recognized at the fund level because
they do not represent a claim on current financial resources. Expenses
at the government-wide level are recognized when these liabilities are
incurred, while expenditures are recognized at the fund level when
cash payments are made. The amounts below represent the
difference between the expenses incurred at the government-wide
level and the current financial resources expended at the fund level.

Compensated absences	(22,121)	
Accrued interest	2,288	
OPEB obligation	465	
Net pension liability	<u>(312,577)</u>	<u>(331,945)</u>

Total changes in net position for the year ended June 30, 2020 per the
statement of activities \$ 301,582

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

CITY OF LEESVILLE, LOUISIANA

Statement of Net Position - Proprietary Funds
June 30, 2020

		Business -Type Activities - Enterprise Funds			
		Sewer	Water	Fort Polk Vegetation Control	Total
ASSETS					
Current assets:					
Receivables:					
Accounts. net		\$ 155,907	\$ 232,987	\$ -	\$ 388,894
Due from other funds		1,106,129	1,220,622	74,533	2,401,284
Due from other governmental agencies		-	609,705	261,628	871,333
Prepaid items		4,277	4,277	3,035	11,589
Total current assets		<u>1,266,313</u>	<u>2,067,591</u>	<u>339,196</u>	<u>3,673,100</u>
Noncurrent assets:					
Restricted assets -					
Cash and interest-bearing deposits		-	1,602,829	-	1,602,829
Land and construction in progress		170,809	252,372	-	423,181
Capital assets, net of accumulated depreciation		8,864,568	7,852,934	847,226	17,564,728
Total noncurrent assets		<u>9,035,377</u>	<u>9,708,135</u>	<u>847,226</u>	<u>19,590,738</u>
Total assets		<u>10,301,690</u>	<u>11,775,726</u>	<u>1,186,422</u>	<u>23,263,838</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension plans		<u>92,368</u>	<u>68,612</u>	<u>13,625</u>	<u>174,605</u>
LIABILITIES					
Current liabilities (payable from current assets):					
Accounts and other payables		6,686	13,675	103,014	123,375
Due to other funds		25,346	111,904	-	137,250
Capital lease		1,771	1,771	211,990	215,532
Note payable		-	11,816	-	11,816
Accrued interest payable		3	3	-	6
Total		<u>33,806</u>	<u>139,169</u>	<u>315,004</u>	<u>487,979</u>
Current liabilities (payable from restricted assets):					
Customer deposits payable		-	237,715	-	237,715
Revenue bonds		-	290,000	-	290,000
Accrued interest payable		-	7,676	-	7,676
Total		<u>-</u>	<u>535,391</u>	<u>-</u>	<u>535,391</u>
Total current liabilities		<u>33,806</u>	<u>674,560</u>	<u>315,004</u>	<u>1,023,370</u>
Noncurrent liabilities:					
Compensated absences payable		33,601	10,901	5,198	49,700
OPEB obligation payable		159,253	79,627	39,813	278,693
Net pension liability		346,110	290,416	15,719	652,245
Revenue bonds payable		-	3,790,000	-	3,790,000
Capital lease		-	-	415,981	415,981
Note payable		-	23,633	-	23,633
Total noncurrent liabilities		<u>538,964</u>	<u>4,194,577</u>	<u>476,711</u>	<u>5,210,252</u>
Total liabilities		<u>572,770</u>	<u>4,869,137</u>	<u>791,715</u>	<u>6,233,622</u>
DEFERRED INFLOWS OF RESOURCES					
Pension plans		17,184	12,551	2,878	32,613
OPEB obligation		151	75	38	264
Total deferred inflows of resources		<u>17,335</u>	<u>12,626</u>	<u>2,916</u>	<u>32,877</u>
NET POSITION					
Net investment in capital assets		9,033,606	5,357,340	219,255	14,610,201
Unrestricted		<u>770,347</u>	<u>1,605,235</u>	<u>186,161</u>	<u>2,561,743</u>
Total net position		<u>\$ 9,803,953</u>	<u>\$ 6,962,575</u>	<u>\$ 405,416</u>	<u>\$ 17,171,944</u>

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

CITY OF LEESVILLE, LOUISIANA

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

	Business -Type Activities - Enterprise Funds			
	Sewer	Water	Fort Polk Vegetation Control	Total
Operating revenues:				
Charges for services	\$ 934,565	\$ 1,533,877	\$ 3,032,293	\$ 5,500,735
Miscellaneous	-	3,968	337	4,305
Total operating revenues	<u>934,565</u>	<u>1,537,845</u>	<u>3,032,630</u>	<u>5,505,040</u>
Operating expenses:				
Salaries	276,944	179,511	130,836	587,291
Employee benefits	24,367	13,653	21,464	59,484
OPEB expense (benefit)	17,024	22,750	(17,101)	22,673
Pension expense	66,167	48,249	11,471	125,887
Operating supplies	49,327	192,758	213,001	455,086
Vehicle expense	14,170	29,592	94,847	138,609
Utilities and communications	114,971	139,142	1,801	255,914
Insurance	70,509	97,914	26,949	195,372
Legal and other professional	13,230	21,950	14,765	49,945
Litigation expense	-	-	100,000	100,000
Repairs and maintenance	118,470	41,733	111,128	271,331
Contracted services	-	-	1,352,891	1,352,891
Bad debt	22,787	79,451	-	102,238
Miscellaneous	44,930	78	-	45,008
Depreciation	421,077	324,858	150,875	896,810
Total operating expenses	<u>1,253,973</u>	<u>1,191,639</u>	<u>2,212,927</u>	<u>4,658,539</u>
Operating income (loss)	<u>(319,408)</u>	<u>346,206</u>	<u>819,703</u>	<u>846,501</u>
Nonoperating revenues (expenses):				
Interest income	96	1,331	-	1,427
Ad valorem taxes	148,253	-	-	148,253
Nonemployer pension contribution	8,205	5,879	1,589	15,673
Interest expense	(187)	(101,324)	(31,205)	(132,716)
Total nonoperating revenues (expenses)	<u>156,367</u>	<u>(94,114)</u>	<u>(29,616)</u>	<u>32,637</u>
Income (loss) before contributions and transfers	(163,041)	252,092	790,087	879,138
Capital Contributions	-	634,668	-	634,668
Transfers out	-	(250,000)	(400,000)	(650,000)
Change in net position	(163,041)	636,760	390,087	863,806
Net position, beginning	<u>9,966,994</u>	<u>6,325,815</u>	<u>15,329</u>	<u>16,308,138</u>
Net position, ending	<u>\$ 9,803,953</u>	<u>\$ 6,962,575</u>	<u>\$ 405,416</u>	<u>\$ 17,171,944</u>

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

CITY OF LEESVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds			
	Sewer	Water	Fort Polk Vegetation Control	Total
Cash flows from operating activities:				
Receipts from customers	\$ 911,313	\$ 1,499,581	\$ 3,020,484	\$ 2,410,894
Payments to suppliers	(447,424)	(968,289)	(1,944,722)	(1,415,713)
Payments to employees	(327,433)	(216,908)	(152,479)	(544,341)
Other receipts	-	3,968	337	3,968
Net cash provided by operating activities	<u>136,456</u>	<u>318,352</u>	<u>923,620</u>	<u>454,808</u>
Cash flows from noncapital financing activities:				
Net increase in customer meter deposits	-	6,998	-	6,998
Transfers from (to) other funds	<u>(273,516)</u>	<u>46,572</u>	<u>(579,689)</u>	<u>(226,944)</u>
Net cash provided (used) by noncapital financing activities	<u>(273,516)</u>	<u>53,570</u>	<u>(579,689)</u>	<u>(219,946)</u>
Cash flows from capital and related financing activities:				
Principal paid on bonds and notes payable	(5,240)	(55,457)	(127,952)	(60,697)
Interest and fiscal charges paid on revenue bonds	(197)	(93,658)	(31,205)	(93,855)
Proceeds from ad valorem taxes	148,253	-	-	148,253
Proceeds from grants	-	1,212,631	-	1,212,631
Acquisition of property, plant and equipment	<u>(66,771)</u>	<u>(1,001,984)</u>	<u>(184,774)</u>	<u>(1,068,755)</u>
Net cash provided (used) by capital and related financing activities	<u>76,045</u>	<u>61,532</u>	<u>(343,931)</u>	<u>137,577</u>
Cash flows from investing activities:				
Interest earned	<u>96</u>	<u>1,331</u>	<u>-</u>	<u>1,427</u>
Net increase (decrease) in cash and cash equivalents	(60,919)	434,785	-	373,866
Cash and cash equivalents, beginning of period	<u>60,919</u>	<u>1,168,044</u>	<u>-</u>	<u>1,228,963</u>
Cash and cash equivalents, end of period	<u>\$ -</u>	<u>\$ 1,602,829</u>	<u>\$ -</u>	<u>\$ 1,602,829</u>

(continued)

CITY OF LEESVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Funds (Continued)
 For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds			
	Sewer	Water	Fort Polk Vegetation Control	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (319,408)	\$ 346,206	\$ 819,703	\$ 26,798
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	421,077	324,858	150,875	745,935
Pension expense	35,220	26,074	5,478	61,294
OPEB expense	17,024	22,750	(17,101)	39,774
Changes in current assets and liabilities:				
(Increase) decrease in accounts receivable	(23,252)	(34,296)	(11,809)	(57,548)
Decrease in prepaid items	970	970	685	1,940
Increase (decrease) in accounts payable	1,904	(366,426)	(28,605)	(364,522)
Increased (decrease) in compensated absences payable	2,921	(1,784)	4,394	1,137
Net cash provided by operating activities	<u>\$ 136,456</u>	<u>\$ 318,352</u>	<u>\$ 923,620</u>	<u>\$ 454,808</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:				
Cash and cash equivalents, beginning of period -				
Cash and interest-bearing deposits - unrestricted	\$ 60,919	\$ -	\$ -	\$ 60,919
Cash and interest-bearing deposits - restricted	-	1,168,044	-	1,168,044
Total cash and cash equivalents, beginning of period	<u>60,919</u>	<u>1,168,044</u>	<u>-</u>	<u>1,228,963</u>
Cash and cash equivalents, end of period -				
Cash and interest-bearing deposits - restricted	<u>\$ -</u>	<u>\$ 1,602,829</u>	<u>\$ -</u>	<u>\$ 1,602,829</u>
Net increase (decrease)	<u>\$ (60,919)</u>	<u>\$ 434,785</u>	<u>\$ -</u>	<u>\$ 373,866</u>

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The City of Leesville, Louisiana was incorporated by proclamation of the Governor on February 15, 1900. The City operates under the council-administrator form of government, governed by the mayor and a six-member board. The City is located in the parish of Vernon and has a population of approximately 5,713.

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

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, "Defining the Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's government authority (Mayor and Council) appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or whether the potential component unit is fiscally dependent on the primary government.
3. Financial benefit/burden relationship between the primary government and the potential component unit.
4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The City of Leesville is a primary government and has no component units. The accompanying financial statements present information only on the funds maintained by the City and do not present information on any other governmental unit.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the City as an economic unit. The government-wide financial statements report the City's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the primary government.

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

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses, and transfers. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the City. The various funds of the City are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed in a separate column.

Major funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the corresponding totals for all funds of that category or type (total governmental or enterprise funds) and at least five percent of the corresponding total for all governmental and enterprise funds combined or funds designated as major at the discretion of the City. The General Fund is always a major fund. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The City uses the following funds, grouped by fund type.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Governmental Funds -

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balance of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

General Fund

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

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects of the City. The following are the City's major Special Revenue Funds:

The Sales Tax Special Revenue Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

The Public Safety Special Revenue Fund is used to account for the proceeds of a ½ cent sales and use tax that is legally restricted to expenditures for specific purposes.

Capital Projects Funds

Capital Projects Funds are used to report resources that are restricted, committed, or assigned to expenditures for major capital acquisition and construction separately from ongoing operational activities. The City has no major capital projects funds.

Debt Service Funds

Debt Service Funds are used to account for and report resources that are restricted, committed, or assigned to expenditures for principal and interest. The City has no major debt service funds.

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and nonmajor funds aggregated. A reconciliation is presented to summarize the differences in fund balances of the governmental fund financial statements and the net position of the governmental activities in the government-wide financial statements.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proprietary Funds –

Proprietary funds are used to account for the City's ongoing operations and activities which are similar to those often found in the private sector where the intent is that costs of providing goods and services be recovered through user charges. The proprietary funds maintained by the City are enterprise funds.

Enterprise Funds

Enterprise funds are proprietary funds that are used to report activities for which a fee is charged to external users. These funds account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City's enterprise funds are the Sewer Fund, the Water Fund, and the Fort Polk Vegetation Control Fund.

Enterprise fund financial statements include a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows. The enterprise fund financial information is presented under the business-type activities column.

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

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental and business-type activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus, or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. The measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income. The measurement focus of the proprietary fund types, the flow of economic resources, is based upon determination of net income, net position and cash flows.

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures 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. An exception to this is grant revenue collected on a reimbursement basis.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. The City considers reimbursement amounts received within one year as available. The City accrues intergovernmental revenue, ad valorem and sales tax revenue, franchise fees, charges for services, and investment income based upon this concept. Expenditures generally are recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded as expenditures when paid.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursement for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the City. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the City and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The financial statements of the enterprise funds have been prepared in accordance with the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses and related liabilities are recorded when incurred.

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

Cash, interest-bearing deposits, and investments

For purposes of the statement of net position, cash and interest-bearing deposits include all cash on hand, demand accounts, savings accounts, and certificates of deposits of the City. Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the state of Louisiana, the laws of any other state in the union, or the laws of the United States of America. The City may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana.

For the purpose of the proprietary funds statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customers' utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for customers' utility receivables was \$691,331 at June 30, 2020. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans are reported as "advances to and from other funds." Interfund receivables and payables, advances to and from other funds, as well as due to and from other funds are eliminated in the statement of net position.

Inventories

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. All inventories are accounted for in the General Fund as assets when purchased and recorded as expenditures when consumed. Inventory items consumed by other funds are recorded through the interfund receivable/payable accounts.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020 are recorded as prepaid items. The City utilizes the consumption method to account for prepaid items.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary funds that are legally restricted as to their use. The restricted assets in the water and sewer funds are related to the utility meter deposits and revenue bond accounts.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or fund 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 acquisition value at the date of donation. The City maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20-40 years
Equipment and vehicles	5-10 years
Utility system and improvements	25-50 years
Infrastructure	20-40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental funds upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the public improvement bonds payable, revenue bonds payable, certificates of indebtedness, capital leases payable, note payable, compensated absences, and utility meter deposits payable.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Compensated Absences

Sick leave is earned at the rate of one day for each month worked, with a limit of twelve days per year. One-third of accumulated sick leave, up to 80 days, is payable at termination of employment. Vacation leave is earned over a calendar year basis at an amount dependent upon years of service. Accumulated vacation time up to 160 hours is payable at termination of employment. Compensated absence liabilities are computed using the regular pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as social security and medicare taxes and retirement contributions compiled using rates in effect at that date. All compensated absences liabilities are accrued when incurred in the government-wide and proprietary fund financial statements. On the governmental fund statements, compensated absences are only accrued if the obligation has matured, in other words, the obligation becomes due and payable because of employee resignations or retirements.

Postemployment benefits other than pensions (OPEB)

The total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense (see Note 13), has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. In the governmental fund financial statements contributions are recognized as expenditures when due.

Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense (See Note 14), have been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Member's earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. 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 plans, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Non-employer contributions are recognized as revenue in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when made.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category, the deferred outflow of resources attributable to its pension plans.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate section represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category, the deferred inflow of resources attributable to its pension plans and the deferred inflow of resources attributable to its total OPEB liability.

Equity Classifications

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 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 position with constraints placed on the use either by external groups, such as creditors, grantors, and contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation. At June 30, 2020, the City reported \$1,255,922 of restricted net position, \$95,928 of which was restricted by enabling legislation. It is the City's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.
- c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the fund statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

- a. Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact. The City's nonspendable fund balance includes inventories and prepaid items.
- b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, donors, or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.
- c. Committed includes fund balance amounts that can be used only for specific purposes that are internally imposed by the City through formal legislative action of the Mayor and Council and does not lapse at year end. A committed fund balance constraint can only be established, modified, or rescinded by passage of an Ordinance (Law) by the Mayor and Council.
- d. Assigned includes fund balance amounts that are constrained by the City's intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the City Administrator and approval of a Resolution by the Mayor and Council.
- e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

It is the City's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the City uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

Proprietary fund equity is classified the same as in the government-wide statements.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Revenues

The City considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The City generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The City's major revenues sources that meet this availability criterion are intergovernmental revenues, franchise fees, tax revenue, and charges for services.

There are three classifications of programmatic revenues for the City, program specific grant and contributions revenue (operating and capital) and charges for services. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. Charges for services are revenues derived directly from the program itself or from parties outside the City's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the City's general revenues. The primary sources of program revenues are fees, fines, and charges paid by recipients of goods and services, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and earned income in connection with the operation of the City's utility system.

Interest income is recorded as earned in the fund holding the interest-bearing asset.

Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

In the proprietary funds, operating revenues are those revenues produced as a result of providing services and producing and delivering goods and/or services. Nonoperating revenues are funds primarily provided by investing activities, such as financial institution interest income, gains on disposal of assets, and insurance recoveries on property loss. Operating expense are those expenses related to the production of revenue. Nonoperating expenses are those expenses not directly related to the production of revenue and include items such as interest expense and losses on disposal of assets.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures/Expenses

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

Governmental Funds - By Character
Proprietary Fund - By Operating and Nonoperating

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

Interfund Transfers

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

F. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Ad valorem taxes	See Note 2
Sales tax	See Note 3
Sewer and water revenue	Utility operations

G. Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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 reported period. Actual results could differ from those estimates.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended June 30, 2020, taxes of 17.85 mills were levied on property with assessed valuations totaling \$45,883,820 and were dedicated as follows:

General maintenance	5.15 mills
Street improvements	4.20 mills
Sewer and street maintenance	<u>8.50 mills</u>
Total	<u>17.85 mills</u>

Total taxes levied were \$819,044. Taxes receivable at June 30, 2020 totaled \$4,728.

(3) Sales and Use Tax

- A. Proceeds of the 1% sales and use tax levied by the City of Leesville, Louisiana, beginning July 1, 2005 for a period of 25 years expiring on July 1, 2030 (2020 collections \$3,158,177) are dedicated for the following purposes in the following order:

Constructing, improving, extending, and maintaining streets, sidewalks, bridges, drains, subsurface drainage, sewers and sewerage disposal works; fire department stations and facilities; and public parks and recreational facilities, and purchased and acquiring the necessary land, equipment and furnishings for any of the aforesaid public works, improvements and facilities.

- B. Proceeds of the 1/2% sales and use tax levied by the City of Leesville, Louisiana, beginning April 1, 2016 authorized to be collected in perpetuity (2020 collections \$1,555,520) are dedicated to the following purposes:

For improving, operating, and maintaining the public safety services within the City of Leesville, Louisiana, specifically, to provide funds to acquire necessary police and fire protection equipment and other facilities so as to increase the level of services and protection in the City.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Cash, Interest-Bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2020, the City had cash and interest-bearing deposits (book balances) totaling \$5,755,056 as follows

Demand deposits	\$ 56,321
Money market accounts	5,483,778
Time deposits	<u>214,957</u>
Total	<u>\$ 5,755,056</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. 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. Deposit balances (bank balances) at June 30, 2020, are secured as follows:

Bank balances	<u>\$ 6,155,790</u>
Federal deposit insurance	\$ 569,889
Pledged securities	<u>5,585,901</u>
Total	<u>\$ 6,155,790</u>

Deposits in the amount of \$5,585,901 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Receivables

Receivables at June 30, 2020 of \$955,883 consist of the following:

	Governmental Activities	Business-Type Activities	Total
Accounts, net	\$ -	\$ 232,522	\$ 232,522
Unbilled utility	-	156,372	156,372
Ad valorem tax	4,728	-	4,728
Sales tax	450,294	-	450,294
Franchise tax	84,881	-	84,881
Other	27,086	-	27,086
Totals	<u>\$ 566,989</u>	<u>\$ 388,894</u>	<u>\$ 955,883</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units of \$943,416 at June 30, 2020 consist of the following:

Governmental activities:		
State of Louisiana - beer tax revenues receivable		\$ 5,400
State of Louisiana - Louisiana Commission on Law Enforcement - DARE grant		7,247
State of Louisiana - Louisiana Department of Transportation and Development - Airport Improvement grants		52,696
Various agencies for housing of prisoners		6,740
Business-type activities:		
United States Army Garrison - Polk		261,628
State of Louisiana - Department of Health and Hospitals		609,705
Total		<u>\$ 943,416</u>

(7) Restricted Assets

Restricted assets consist of the following at June 30, 2020:

Governmental activities:		
Construction		\$ 500,602
Business-type activities:		
Customer deposits		237,715
Revenue bond reserve and sinking funds		1,365,114
Total restricted assets		<u>\$ 2,103,431</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2020 is as follows:

	Balance 07/01/19	Additions	Deletions	Balance 06/30/20
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 289,026	\$ -	\$ -	\$ 289,026
Construction in progress	42,270	153,521	-	195,791
Other capital assets:				
Buildings and improvements	11,758,853	-	-	11,758,853
Equipment and vehicles	5,847,348	18,598	19,500	5,846,446
Infrastructure	27,856,989	113,759	-	27,970,748
Totals	<u>45,794,486</u>	<u>285,878</u>	<u>19,500</u>	<u>46,060,864</u>
Less accumulated depreciation				
Buildings and improvements	6,240,132	273,132	-	6,513,264
Equipment and vehicles	5,424,684	138,684	17,874	5,545,494
Infrastructure	18,313,169	458,478	-	18,771,647
Total accumulated depreciation	<u>29,977,985</u>	<u>870,294</u>	<u>17,874</u>	<u>30,830,405</u>
Governmental activities, capital assets, net	<u>\$15,816,501</u>	<u>\$ (584,416)</u>	<u>\$ 1,626</u>	<u>\$15,230,459</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 157,249	\$ -	\$ -	\$ 157,249
Construction in progress	1,358,459	1,052,916	2,145,443	265,932
Other capital assets:				
Plant and system	30,169,981	2,145,443	11,611	32,303,813
Equipment and vehicles	1,496,970	200,613	228,312	1,469,271
Totals	<u>33,182,659</u>	<u>3,398,972</u>	<u>2,385,366</u>	<u>34,196,265</u>
Less accumulated depreciation				
Plant and system	14,982,142	720,785	11,611	15,691,316
Equipment and vehicles	569,327	176,025	228,312	517,040
Total accumulated depreciation	<u>15,551,469</u>	<u>896,810</u>	<u>239,923</u>	<u>16,208,356</u>
Business-type activities, capital assets, net	<u>\$17,631,190</u>	<u>\$2,502,162</u>	<u>\$2,145,443</u>	<u>\$17,987,909</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 25,985
Public safety	89,925
Public works	229,899
Economic development	411,008
Culture and recreation	<u>113,477</u>
Total depreciation expense	<u>\$ 870,294</u>

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

Sewer	\$ 421,077
Water	324,858
Fort Polk Vegetation Control	<u>150,875</u>
Total depreciation expense	<u>\$ 896,810</u>

(9) Accounts and Other Payables

The accounts and other payables of \$364,269 at June 30, 2020 consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts payable	\$ 20,972	\$ 9,475	\$ 30,447
Salaries payable	75,443	13,900	89,343
Payroll tax and employee benefits payable	68,279	-	68,279
Accrued expenses	75,000	100,000	175,000
Contracts and retainage payable	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Totals	<u>\$ 240,894</u>	<u>\$ 123,375</u>	<u>\$ 364,269</u>

(10) Note Payable - Bank

The City obtained a line of credit at a local financial institution in order to fund emergency repairs. Under the terms of the bank line of credit agreement dated June 15, 2012, the City may borrow up to \$500,000 with interest at 3.8%. This agreement was renewed on July 3, 2019 with the principal due at July 3, 2020. The City did not utilize this line of credit during the year. There was no balance due at June 30, 2020.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the City for the year ended June 30, 2020:

	<u>Balance</u> 07/01/19	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> 06/30/20	<u>Amount due</u> <u>in one year</u>
Long-term debt:					
Revenue bonds	\$ 5,167,000	\$ -	\$ 260,000	\$ 4,907,000	\$ 557,000
Certificates of indebtedness	1,381,000	-	215,000	1,166,000	220,000
Note payable	85,666	-	50,217	35,449	11,816
Capital leases	1,294,237	73,133	310,590	1,056,780	303,343
Other liabilities:					
Compensated absences	<u>339,455</u>	<u>27,652</u>	<u>-</u>	<u>367,107</u>	<u>-</u>
	<u>\$ 8,267,358</u>	<u>\$ 100,785</u>	<u>\$ 835,807</u>	<u>\$ 7,532,336</u>	<u>\$ 1,092,159</u>

Bonds payable at June 30, 2020 are comprised of the following individual issues:

Governmental activities:

Certificates of indebtedness:

\$2,000,000 of Certificates of Indebtedness, Series 2016, due in annual installments of \$102,000 - \$247,000 through March 1, 2025; interest at 2.09 percent, secured by ad valorem tax collections \$ 1,166,000

Revenue bonds:

\$675,000 Excess Revenue Notes, Series 2018 due in annual installments of \$57,000 - \$80,000 through September 1, 2028; interest at 4.00 percent; secured by excess annual revenues above statutory, necessary, and usual charges in each fiscal year. 618,000

\$1,344,000 Sales Tax Refunding Bonds, Series 2013, due in annual installments of \$175,000 - \$209,000 through August 1, 2020; interest at 2.25 percent, secured by sales tax collections 209,000

Total bonds payable applicable to governmental activities \$ 1,993,000

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Business-type activities

Revenue bonds:

\$1,550,000 Water Improvement Bond, Series 2007, due in annual installments of \$75,000 - \$140,000 through August 1, 2022; interest at 0.10 - 4.70 percent; secured by Water Fund revenues \$ 405,000

\$4,800,000 Taxable Public Improvement Bonds, Series 2013, due in annual installments of \$131,000 - \$249,000 through August 1, 2034; interest at 2.95%, for the purpose of constructing and acquiring improvements, extensions and replacements to the waterworks system of the City. The bonds were sold to the Louisiana Department of Health and Hospitals, Drinking Water Revolving Loan Fund. Thirty percent (30%) of the City's obligation to repay the principal of the bonds will be forgiven simultaneously with the payment by the Department of each installment of the purchase price of the bonds. At the time of the debt forgiveness, these amounts are recognized as grant revenue. 3,675,000

Total bonds payable applicable to business-type activities \$ 4,080,000

Capital leases payable at June 30, 2020 consist of the following:

	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>
Fire equipment	\$ 666,583	04/25/28	4.98%	\$ 317,822
Utility and public works vehicles	72,203	11/15/20	4.25%	5,313
Police vehicles	75,045	03/05/21	4.00%	17,456
Recreation van	28,201	12/15/21	4.925%	14,251
Public works vehicle	49,380	08/05/23	4.125%	30,945
Public works equipment	63,831	09/17/23	4.275%	43,022
Maintenance equipment	950,000	03/27/23	4.39%	566,099
Maintenance equipment	73,133	09/16/19	3.74%	61,872
	<u>\$ 1,978,376</u>			<u>\$ 1,056,780</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Annual debt service requirements of bonds outstanding are as follows:

Year ending June 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	Principal payments	Interest payments	Principal payments	Interest payments	Principal payments	Interest payments
2021	\$ 487,000	\$ 49,236	\$ 290,000	\$ 87,733	\$ 777,000	\$ 136,969
2022	287,000	40,951	290,000	98,934	577,000	139,885
2023	296,000	33,748	301,000	88,159	597,000	121,907
2024	306,000	26,298	311,000	76,834	617,000	103,132
2025	315,000	18,602	177,000	68,499	492,000	87,101
2026 - 2030	302,000	24,760	982,000	260,427	1,284,000	285,187
2031 - 2035	-	-	1,729,000	105,258	1,729,000	105,258
Total	<u>\$ 1,993,000</u>	<u>\$ 193,595</u>	<u>\$ 4,080,000</u>	<u>\$ 785,844</u>	<u>\$ 6,073,000</u>	<u>\$ 979,439</u>

Annual debt service requirements to maturity for capital leases are as follows:

Year Ending June 30	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2021	\$ 107,356	\$ 238,413	\$ 345,769
2022	87,824	234,967	322,791
2023	80,165	180,239	260,404
2024	58,531	16,059	74,590
2025	54,979	2,676	57,655
2026 - 2029	109,442	-	109,442
Less: Amount representing interest	<u>(73,030)</u>	<u>(40,841)</u>	<u>(113,871)</u>
Present value of future minimum lease payments	<u>\$ 425,267</u>	<u>\$ 631,513</u>	<u>\$ 1,056,780</u>

Leased equipment and vehicles under capital leases included in capital assets at June 30, 2020 are as follows:

Equipment and vehicles	\$2,093,079
Less: Accumulated depreciation	<u>(1,222,866)</u>
Net	<u>\$ 870,213</u>

Depreciation of leased equipment and vehicles under capital leases in the amount of \$674,723 for the year ended June 30, 2020 is included in depreciation expense.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated absences payable is not amortizable because the timing of the payouts is based on factors outside the City's control.

Notes Payable:

On July 23, 2003, the City entered into an agreement with the Louisiana Department of Transportation and Development for utility relocation assistance funding. Issuance of future permits to the City by the Louisiana Department of Transportation and Development for location of additional longitudinal facilities within any state owned right of way is contingent upon repayment of this funding. The City must show a good faith effort to repay the debt by making annual payments to the Department of Transportation and Development of 5% of its gross income or 10% of its outstanding utility relocation assistance funding debt. The first payment must be made within one year of the date of invoicing to the City by the Department of Transportation and Development, and issuance of permits will remain suspended until the first payment is made. The City's payments are due by January 15th of each year. As of June 30, 2020, the City incurred \$535,778 in funding from this agreement. The relocation project was completed and had final inspection on July 13, 2010. The amount to be paid each year is determined by the Louisiana Department of Transportation and Development. This amount is invoiced to the City by the Louisiana Department of Transportation and Development. At June 30, 2020, the balance remaining on this note totaled \$35,449.

(12) Flow of Funds; Restrictions on Use

Business-type activities:

Water Fund –

Water Improvement Bond, Series 2007

Under the terms of the \$1,550,000 Water Improvement Bonds, Series 2007, the City is required to maintain an excess revenue bond sinking fund in an amount to pay promptly and fully the principal of and interest on the bonds by transferring monthly payments on or before the 20th day of each month commencing in August 2002 a sum equal to 1/6th of the next interest payment due and 1/12th of the next principal due.

During the year ended June 30, 2020, the monthly sinking fund transfers were made as required by the agreement.

Public Improvement Bonds, Series 2013

Under the terms of the \$4,800,000 Taxable Public Improvement Bonds, Series 2013, the City is required to maintain a sinking fund in an amount to pay promptly and fully the principal of and interest on the bonds by transferring monthly payments on or before the 20th day of each month commencing in August 2013 a sum equal to 1/6th of the next interest payment due and 1/12th of the next principal due.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Under the terms of the \$4,800,000 Taxable Public Improvement Bonds, Series 2013, the City is required to maintain a reserve fund to be retained solely for the purpose of paying the principal of and interest on the bonds by transferring on or before the 20th day of each month a sum at least equal to 25% of the amount to be paid into the sinking fund until such time as there has been accumulated a sum equal to \$128,173.

Under the terms of the \$4,800,000 Taxable Public Improvement Bonds, Series 2013, the City is required to maintain a depreciation and contingency fund. The City is required to set aside into this fund monthly in advance on or before the 20th of each month a sum at least equal to 5% of the amount to be paid into the sinking fund until such time as there has been accumulated a sum equal to \$125,000.

During the year ended June 30, 2020, the monthly sinking, reserve, and depreciation and contingency fund transfers were made as required by the agreement.

Governmental Activities:

Sales Tax Refunding Bonds, Series 2013

Under the terms of the \$1,344,000 Sales Tax Refunding Bonds, Series 2013, which were issued on April 2, 2013 to refund a portion of the Sales Tax Revenue Public Improvement Bonds, Series 2005, the City will maintain a sinking fund sufficient in amount to pay promptly and fully the principal of and interest on the bonds by transferring from the sales tax fund monthly in advance a sum equal to the principal and interest accruing on such bonds during the period together with such additional proportionate sum as may be required to pay the principal and interest as they become due.

During the year ended June 30, 2020, the monthly sinking fund transfers were made as required by the agreement.

Certificates of Indebtedness, Series 2016

Under the terms of the \$2,000,000 Certificates of Indebtedness, Series 2016 issued on January 28, 2016, the City will maintain a sinking fund and deposit from the first revenues of the tax received in any calendar year, a sum equal to the principal and/or interest falling due on the Certificates in that calendar year, together with such additional proportionate sum as may be required to pay principal and interest as the same become due and any amount required to pay the charges of the paying agent.

During the year ended June 30, 2020, the monthly sinking fund transfers were made as required by the agreement.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) Post Employment Health Care Benefits

Plan Description: The City provides certain continuing health care benefits for its retired employees. Employees hired on or before August 15, 2017 who retire from the City with twenty (20) years of service are eligible to continue health insurance coverage upon retirement up to the age of 65. The plan is a single employer defined benefit health care plan administered by Blue Cross Blue Shield of Louisiana. The City has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pension – Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria – Defined Benefit*.

Funding Policy: The City pays a flat subsidy for medical coverage of \$329.24 for single coverage and \$684.35 including spouse coverage and 50% of dental and vision contribution for retirees and dependents. The City recognizes the cost of providing these benefits (the City’s portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you go basis.

Employees Covered by Benefit Terms: At July 1, 2019 the following employees were covered by the benefit terms:

Active employees	37
Inactive employees entitled to but not yet receiving benefit payments	-
Inactive employees currently receiving benefit payments	<u>8</u>
	<u>45</u>

Total OPEB Liability

The City’s total OPEB liability of \$1,473,091 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and other inputs – The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to period included in the measurement, unless otherwise specified:

In the June 30, 2019 actuarial valuation individual entry age normal cost method – level percentage of projected salary was used. The discount rate used was 2.21% and was based on the Bond Buyer General Obligation 20-Bond Municipal Index. Mortality rates were based on RPH-2014 Total Table with Projection MP-2000.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Changes in the Total OPEB Liability

The following presents changes in the total OPEB liability.

Balance as of June 30, 2019	\$ 1,452,278
Changes for the year:	
Service cost	64,490
Interest cost	56,931
Changes in assumptions	(1,646)
Benefit payments	<u>(98,962)</u>
Net change in total OPEB liability	<u>20,813</u>
Balance as of June 30, 2020	<u>\$ 1,473,091</u>

Sensitivity of the Total OPEB Liability to changes in the discount rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>1.21%</u>	<u>2.21%</u>	<u>3.21%</u>
Total OPEB Liability	<u>\$ 1,570,655</u>	<u>\$ 1,473,091</u>	<u>\$ 1,379,316</u>

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

	1% Decrease	Current Trend Rate	1% Increase
	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Total OPEB Liability	<u>\$ 1,334,945</u>	<u>\$ 1,473,091</u>	<u>\$ 1,634,624</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the City recognized a net OPEB expense of \$22,208. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	<u>\$ -</u>	<u>\$ 1,395</u>

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

<u>Year Ended June 30</u>	<u>Net Amount Recognized in Pension Expense</u>
2021	\$ (251)
2022	(251)
2023	(251)
2024	(251)
2025	(251)
Thereafter	<u>(140)</u>
	<u>\$ (1,395)</u>

(14) Pension Plans

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

Plan Descriptions

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

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

State of Louisiana – Firefighters' Retirement System (FRS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in the LRS 11:2251-2254 and 11:2256.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The system's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year collected by the tax collector.

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

	MERS	MPERS	FRS
Final average salary	Highest 60 months	Highest 36 months or 60 months ²	Highest 36 months
Years of service required and/or age eligible for benefits	25 years any age 10 years age 60 20 years any age ¹	25 years any age 20 years age 55 12 years age 55 20 years any age ¹ 30 years any age ³ 25 years age 55 ³ 10 years age 60 ³	25 years any age 20 years age 50 12 years age 55
Benefit percent per years of service	3.00%	2.5% - 3.33% ⁴	3.33%

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

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

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Contributions

Article X, Section 29 (E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer’s portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems’ Actuarial Committee. In addition, MERS receives a percentage of ad valorem taxes collected parishes. Also, MPERS and FRS receive a percentage of insurance premium tax monies as additional employer contributions. These entities are not participating employers in the pension systems and are considered to be nonemployer contributing entities. Contributions of employers, and nonemployer contributing entities effective for the year ended June 30, 2020 for the defined benefit pension plans in which the City is a participating employer were as follows:

Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Amount from Nonemployer Contributing Entities	Amount of Government Contributions
MERS	5.00%	14.00%	\$ 40,034	\$ 210,113
MPERS	10.00%	32.50%	60,737	278,579
FRS	10.00%	27.75%	32,495	96,449

Net Pension Liability

The City’s net pension liability at June 30, 2020 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City’s net pension liability for each plan was measured as of the plans’ measurement date (June 30, 2018 for all plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability for each of the plans in which it participates was based on the City’s required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the City’s proportion for each plan and the change in proportion from the prior measurement date were as follows:

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
MERS	\$ 1,848,366	2.112869%	0.121001%
MPERS	2,679,321	0.295025%	-0.050752%
FRS	759,031	0.121214%	-0.009438%
Total	<u>\$ 5,286,718</u>		

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Since the measurement date of the net pension liability was June 30, 2019, the net pension liability is based upon fiduciary net position for each of the plans as of that date. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for that fiscal year. The financial report for each plan may be accessed on their website as follows:

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

Actuarial Assumptions

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

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2009 - 6/30/2014	7/1/2009 - 6/30/2014
Expected remaining service lives	3	4	7
Inflation rate	2.500%	2.500%	2.500%
Investment rate of return	7.00%	7.130%	7.15%
Projected salary increases	4.5%-6.4%	4.25%-9.75%	4.50%-14.75%
Projected benefit changes including COLAs	None	None	None
Source of mortality assumptions	(1), (2), (3)	(3), (4), (5)	(3), (6)

- (1) PubG-2010(b) Healthy Retiree Table set equal to 120% for males and females using respective male and female MP2018 scales.
- (2) PubG-2010(B) Employee Table set equal to 120% for males and females using respective male and female MP2018 scales.
- (3) PubNS-2010(B) Disabled Retiree Tables set equal to 120% for males and females with full generational MP2018 scale.
- (4) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table projected to 2029 using Scale AA set back 1 year for females.
- (5) RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females.
- (6) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table projected to 2031 using Scale AA.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Cost of Living Adjustments

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

Discount Rate

The discount rates used to measure the City’s total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are as follows:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>
Discount rate	7.00%	7.13%	7.15%
Change in discount rate from prior valuation	-0.275%	-0.075%	-0.15%
Plan cash flow assumptions	(1)	(1)	(1)
Rates incorporated in the Discount Rate:			
Long-term Rate of Return	7.00%	7.125%	7.15%
Periods applied	All	All	All
Municipal Bond Rate	N/A	N/A	N/A

*Plan Cash Flow Assumptions:

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

The discount rates used to measure the City’s total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For MERS, MPERS, and FRS, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Asset Class	MERS*		MPERS*		FRS*	
	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Fixed Income	35%	1.50%	33.5%	0.80%	31%	2.17%
Equities	50%	2.20%	48.5%	3.28%	49%	6.69%
Alternative Investments	15%	0.60%	18%	1.06%	10%	4.52%
Other	-	-	-	-	10%	7.33%
Total	<u>100%</u>		<u>100%</u>		<u>100%</u>	

*Arithmetic real rates of return

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2020, the City Jury recognized \$1,086,285 in pension expense (benefit) related to all defined benefit plans in which it participates. MERS, MPERS, and FRS recognized revenues in the amount of \$148,939 in ad valorem taxes and insurance premium tax monies collected from nonemployer contributing entities

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,622	\$ 219,166
Changes of assumptions	331,873	55
Net difference between projected and actual earnings on pension plan investments	419,792	-
Change in proportion and differences between employer contributions and proportionate share of contributions	432,564	642,872
Employer contributions subsequent to the measurement date	<u>585,141</u>	<u>-</u>
Total	<u>\$ 1,774,992</u>	<u>\$ 862,093</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred outflows of resources of \$585,141 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended December 31	Net Amount Recognized in Pension Expense
2021	\$ 325,475
2022	6,430
2023	(31,769)
2024	56,669
2025	(24,307)
Thereafter	<u>(4,740)</u>
	<u>\$ 327,758</u>

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

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

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	7.00%	\$ 2,463,396	\$ 1,848,366	\$ 1,328,216
MPERS	7.125%	3,733,177	2,679,321	1,795,241
FRS	7.15%	<u>1,099,128</u>	<u>759,031</u>	<u>473,579</u>
Total		<u>\$ 7,295,701</u>	<u>\$ 5,286,718</u>	<u>\$ 3,597,036</u>

Payables to Pension Plans

At June 30, 2020, the City did not have any amounts payable to the pension plans for the outstanding amount of contributions due to the Systems for the year.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(15) Employee Retirement – Deferred Compensation Plan

The City of Leesville offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosure relating to the plan are included in the separately issued audit report for the plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana, 70804-9397.

(16) Litigation and Claims

At June 30, 2020, the City of Leesville was a defendant in several lawsuits. The City's legal counsel has reviewed the claims and lawsuits, in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City not covered by insurance. As a result of the review, no additional claims payable was required to be recorded as a liability to the City, which are not considered covered by insurance.

(17) Risk Management

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

(18) On-Behalf Payment of Salaries

The State of Louisiana paid the City's policemen and firemen \$176,533 of supplemental pay during the year ended June 30, 2020. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and Public Safety Special Revenue Fund financial statements.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(20) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at June 30, 2020:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 955,930	\$ 1,010,350
Sales Tax Fund	-	2,567,189
Public Safety Fund	-	134,449
Non major governmental funds:		
Main Street Program	76,310	-
Sales Tax Sinking Fund	183,243	-
2002 Certificates of Indebtedness	-	11,662
Airport Construction	-	29,419
Improvements Capital Projects	<u>273,552</u>	<u>-</u>
Total governmental funds	<u>1,489,035</u>	<u>3,753,069</u>
Proprietary funds:		
Sewer Fund	1,106,129	25,346
Water Fund	1,220,622	111,904
Fort Polk Vegetation Control	<u>74,533</u>	<u>-</u>
Total proprietary funds	<u>2,401,284</u>	<u>137,250</u>
Total	<u>\$ 3,890,319</u>	<u>\$ 3,890,319</u>

The amounts due to various other funds are for short-term loans.

B. Transfers consisted of the following at June 30, 2020:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 904,981	\$ 129,000
Sales Tax Fund	-	2,423,583
Public Safety Fund	2,335,000	-
Non major governmental funds:		
Mainstreet Program Fund	4,000	-
Sales Tax Sinking Fund	213,583	-
2004 GOB Street Improvements	<u>-</u>	<u>254,981</u>
Total governmental funds	<u>3,457,564</u>	<u>2,807,564</u>
Proprietary funds:		
Water Fund	-	250,000
Fort Polk Vegetation Control	<u>-</u>	<u>400,000</u>
Total proprietary funds	<u>-</u>	<u>650,000</u>
Total	<u>\$ 3,457,564</u>	<u>\$ 3,457,564</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(21) Compensation, Benefits, and Other Payments to Mayor

A detail of compensation, benefits, and other payments paid to Mayor Rick Allen for the year ended June 30, 2020 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 13,000
Car expenses	98
Per diem	839
Reimbursements	209
Conference travel	<u>3,809</u>
	<u>\$ 17,955</u>

(22) Compensation of City Officials

A detail of compensation paid to the Mayor and Council Members for the year ended June 30, 2020 follows:

Rick Allen, Mayor	\$ 13,000
Council Members:	
Willie Mae Kennedy	6,960
Nicole Ybarra	6,960
Christopher Robertson	6,960
Anthony Shapkoff	6,960
Phillip Hunt	4,350
Linda Thomas	2,610
Alice F. Guess	<u>6,960</u>
Total	<u>\$ 54,760</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(23) Beginning Net Position Adjustment

The City has determined that certain transactions were recorded incorrectly in a prior year resulting in an overstatement of grant receivable and revenue related to a State grant. These errors resulted in a restatement of previously reported net position, as follows:

	<u>Governmental Activities</u>	<u>Improvements Capital Projects Fund</u>
Net position/fund balance, previously reported	\$ 9,680,582	\$ 1,006,089
Prior period adjustment:		
Correction of an error	<u>(135,059)</u>	<u>(135,059)</u>
Total	<u>\$ 9,545,523</u>	<u>\$ 871,030</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 986,000	\$ 928,196	\$ 810,868	\$(117,328)
Licenses and permits	443,500	426,764	434,951	8,187
Intergovernmental	20,000	29,905	29,905	-
Charges for services	216,600	214,705	215,572	867
Miscellaneous	86,215	105,553	131,674	26,121
Total revenues	<u>1,752,315</u>	<u>1,705,123</u>	<u>1,622,970</u>	<u>(82,153)</u>
Expenditures:				
Current:				
General government:				
General and administrative	965,236	819,839	833,485	(13,646)
Executive	83,617	76,123	72,530	3,593
Legal	47,340	45,303	46,528	(1,225)
Public works	1,125,645	1,017,802	997,746	20,056
Economic development	189,765	159,653	216,918	(57,265)
Debt service	90,000	82,937	113,559	(30,622)
Capital outlay	45,000	37,147	34,643	2,504
Total expenditures	<u>2,546,603</u>	<u>2,238,804</u>	<u>2,315,409</u>	<u>(76,605)</u>
Deficiency of revenues over expenditures	<u>(794,288)</u>	<u>(533,681)</u>	<u>(692,439)</u>	<u>(158,758)</u>
Other financing sources (uses):				
Transfers in	1,005,000	810,000	904,981	94,981
Transfers out	<u>(4,000)</u>	<u>(4,000)</u>	<u>(129,000)</u>	<u>(125,000)</u>
Total other financing sources (uses)	<u>1,001,000</u>	<u>806,000</u>	<u>775,981</u>	<u>(30,019)</u>
Net change in fund balance	206,712	272,319	83,542	(188,777)
Fund balance, beginning	<u>451,645</u>	<u>451,645</u>	<u>451,645</u>	<u>-</u>
Fund balance, ending	<u>\$ 658,357</u>	<u>\$ 723,964</u>	<u>\$ 535,187</u>	<u>\$(188,777)</u>

The accompanying notes are an integral part of this schedule.

CITY OF LEESVILLE, LOUISIANA
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 3,000,000	\$ 3,009,366	\$ 3,158,177	\$ 148,811
Charges for services	15,400	5,714	6,090	376
Miscellaneous	43,450	36,031	42,347	6,316
Total revenues	<u>3,058,850</u>	<u>3,051,111</u>	<u>3,206,614</u>	<u>155,503</u>
Expenditures:				
Current:				
General government	156,193	207,165	209,672	(2,507)
Culture and recreation	416,385	420,938	419,671	1,267
Debt service	8,000	7,658	7,658	-
Capital outlay	7,000	1,050	1,665	(615)
Total expenditures	<u>587,578</u>	<u>636,811</u>	<u>638,666</u>	<u>(1,855)</u>
Excess of revenues over expenditures	2,471,272	2,414,300	2,567,948	153,648
Other financing uses:				
Transfers out	<u>(2,423,583)</u>	<u>(2,423,583)</u>	<u>(2,423,583)</u>	<u>-</u>
Net change in fund balance	47,689	(9,283)	144,365	153,648
Fund balance, beginning	<u>490,662</u>	<u>490,662</u>	<u>490,662</u>	<u>-</u>
Fund balance, ending	<u>\$ 538,351</u>	<u>\$ 481,379</u>	<u>\$ 635,027</u>	<u>\$ 153,648</u>

The accompanying notes are an integral part of this schedule.

CITY OF LEESVILLE, LOUISIANA
Public Safety Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 1,500,000	\$ 1,525,862	\$ 1,555,520	\$ 29,658
Intergovernmental	221,760	94,503	218,054	123,551
Charges for services	144,000	98,438	110,687	12,249
Fines and forfeitures	180,000	73,594	81,144	7,550
Miscellaneous	-	4,885	11,440	6,555
Total revenues	<u>2,045,760</u>	<u>1,797,282</u>	<u>1,976,845</u>	<u>179,563</u>
Expenditures:				
Current:				
General government	-	6,980	6,980	-
Public Safety:				
Police	2,918,700	2,382,077	2,434,422	(52,345)
Fire	1,044,625	903,441	929,580	(26,139)
City Court	105,045	106,008	104,857	1,151
Debt service	85,000	83,771	83,771	-
Capital outlay	15,000	8,875	8,875	-
Total expenditures	<u>4,168,370</u>	<u>3,491,152</u>	<u>3,568,485</u>	<u>(77,333)</u>
Deficiency of revenues over expenditures	(2,122,610)	(1,693,870)	(1,591,640)	102,230
Other financing sources (uses):				
Transfers in	<u>2,210,000</u>	<u>2,210,000</u>	<u>2,335,000</u>	<u>125,000</u>
Net change in fund balance	87,390	516,130	743,360	227,230
Fund balance (deficit), beginning	<u>(738,463)</u>	<u>(738,463)</u>	<u>(738,463)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (651,073)</u>	<u>\$ (222,333)</u>	<u>\$ 4,897</u>	<u>\$ 227,230</u>

The accompanying notes are an integral part of this schedule.

CITY OF LEESVILLE, LOUISIANA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 64,490	\$ 64,490	\$ 62,081
Interest cost	56,931	53,351	54,390
Assumption changes	(1,646)		
Benefit payments	<u>(98,962)</u>	<u>(81,165)</u>	<u>(81,165)</u>
Net change in total OPEB liability	20,813	36,676	35,306
Total OPEB liability - beginning	<u>1,452,278</u>	<u>1,415,602</u>	<u>1,380,296</u>
Total OPEB liability - ending	<u>\$1,473,091</u>	<u>\$1,452,278</u>	<u>\$1,415,602</u>
Net OPEB liability	\$1,473,091	\$1,452,278	\$1,415,602
Covered-employee payroll	\$1,622,579	\$1,744,817	\$1,744,817
Total OPEB liability as a percentage of covered-employee payroll	90.79%	83.23%	81.13%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this schedule.

CITY OF LEESVILLE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2020 *

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System of Louisiana - Plan B:					
2020	2.112869%	\$1,848,366	\$1,558,013	118.6%	66.14%
2019	1.991868%	1,684,785	1,476,518	114.1%	65.60%
2018	2.098982%	1,816,108	1,557,989	116.6%	63.49%
2017	1.936110%	1,604,858	1,371,725	117.0%	63.34%
2016	1.795844%	1,220,540	1,250,574	97.6%	68.71%
2015	1.775620%	833,647	1,253,098	66.5%	76.94%
Municipal Police Employees' Retirement System of Louisiana:					
2020	0.295025%	\$2,679,321	\$ 997,540	268.6%	71.01%
2019	0.345777%	2,923,220	942,814	310.1%	71.89%
2018	0.290841%	2,539,165	866,705	293.0%	70.08%
2017	0.243255%	2,279,985	687,910	331.4%	66.04%
2016	0.222398%	1,742,256	596,959	291.9%	70.73%
2015	0.245436%	1,535,468	707,707	217.0%	75.10%
Firefighters' Retirement System of Louisiana:					
2020	0.121214%	\$ 759,031	\$ 292,957	259.1%	73.96%
2019	0.130652%	751,520	311,062	241.6%	74.76%
2018	0.156744%	898,433	363,158	247.4%	73.55%
2017	0.147331%	963,678	347,797	277.1%	68.16%
2016	0.186639%	1,007,312	396,812	253.9%	72.45%
2015	0.228325%	1,016,026	456,415	222.6%	76.02%

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

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this schedule.

CITY OF LEESVILLE, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2020

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
Municipal Employees' Retirement System of Louisiana - Plan B:					
2020	\$ 210,113	\$ 210,113	\$ -	\$ 1,500,808	14.00%
2019	218,122	218,122	-	1,558,013	14.00%
2018	195,639	195,639	-	1,476,518	13.25%
2017	171,379	168,805	2,574	1,557,989	10.83%
2016	130,314	130,295	19	1,371,725	9.50%
2015	118,786	118,786	-	1,250,384	9.50%
Municipal Police Employees' Retirement System of Louisiana:					
2020	\$ 275,875	\$ 278,579	\$ (2,704)	\$ 848,847	32.82%
2019	321,707	321,707	-	997,540	32.25%
2018	289,915	289,922	(7)	942,814	30.75%
2017	275,179	275,180	(1)	866,705	31.75%
2016	202,933	203,882	(949)	687,910	29.64%
2015	188,042	188,042	-	596,959	31.50%
Firefighters' Retirement System of Louisiana:					
2020	\$ 96,449	\$ 96,449	\$ -	\$ 347,563	27.75%
2019	77,634	77,634	-	292,957	26.50%
2018	82,431	82,431	-	311,062	26.50%
2017	91,697	91,698	(1)	363,158	25.25%
2016	94,775	94,929	(154)	347,797	27.29%
2015	116,018	116,018	-	396,643	29.25%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this schedule.

CITY OF LEESVILLE, LOUISIANA

Notes to Required Supplementary Information

(1) Budget and Budgetary Accounting

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

1. The City Administrator prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Council not later than May 15th of each fiscal year.
2. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted but no later than June 15th of each fiscal year.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Council. Such amendments were not material in relation to the original appropriations.

(2) Excess of Expenditures Over Appropriations

The General Fund, Sales Tax Special Revenue Fund, and the Public Safety Special Revenue Fund incurred expenditures in excess of appropriations totaling \$76,605, \$1,855, and \$77,333, respectively, for the year ended June 30, 2020.

(3) Other Post-Employment Benefits

Changes in Benefit Terms – There were no changes in benefit terms.

Changes of Assumptions – The discount rate has been decreased from 3.88% to 2.21% since the previous valuation for the OPEB plan.

CITY OF LEESVILLE, LOUISIANA

Notes to Required Supplementary Information

No assets are accumulated in a trust that meets the criteria in paragraph 4 of the Governmental Accounting Standards Board Statement No. 75 to pay related benefits.

(4) Pension Plans

Changes in benefit terms – There were no changes in benefit terms.

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

Amounts reported in fiscal year ended June 30, 2020 for the various pension plans reflect the following changes used to measure the total pension liability:

*	Investment	Expected	Projected
Year ended	Discount	Rate	Salary
June 30,	Rate	Inflation	Increase
Rate	of Return	Rate	Service Lives
Municipal Employees' Retirement System of Louisiana - Plan B:			
2020	7.00%	7.00%	2.50%
2019	7.275%	7.275%	2.60%
2018	7.40%	7.40%	2.775%
2017	7.50%	7.50%	2.875%
2016	7.50%	7.50%	2.875%
2015	7.75%	7.75%	3.00%
Municipal Police Employees' Retirement System of Louisiana:			
2020	7.125%	7.125%	2.50%
2019	7.20%	7.20%	2.60%
2018	7.325%	7.325%	2.70%
2017	7.50%	7.50%	2.875%
2016	7.50%	7.50%	2.875%
2015	7.50%	7.50%	3.00%
Firefighters' Retirement System of Louisiana:			
2020	7.15%	7.15%	2.50%
2019	7.30%	7.30%	2.70%
2018	7.40%	7.40%	2.775%
2017	7.50%	7.50%	2.875%
2016	7.50%	7.50%	2.875%
2015	7.50%	7.50%	3.00%

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF LEESVILLE, LOUISIANA

Statement of Net Position

June 30, 2020

With Comparative Totals for June 30, 2019

	2020			2019 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 3,651,625	\$ -	\$ 3,651,625	\$ 2,790,469
Receivables	566,989	388,894	955,883	817,793
Due from other governmental agencies	72,083	871,333	943,416	2,179,072
Inventories	149,526	-	149,526	180,498
Other assets	65,601	11,589	77,190	75,750
Total current assets	<u>4,505,824</u>	<u>1,271,816</u>	<u>5,777,640</u>	<u>6,043,582</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	500,602	1,602,829	2,103,431	1,262,907
Capital assets:				
Land and construction in progress	484,817	423,181	907,998	1,847,004
Capital assets, net	14,745,642	17,564,728	32,310,370	31,600,687
Total noncurrent assets	<u>15,731,061</u>	<u>19,590,738</u>	<u>35,321,799</u>	<u>34,710,598</u>
Total assets	<u>20,236,885</u>	<u>20,862,554</u>	<u>41,099,439</u>	<u>40,754,180</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension plans	<u>1,600,387</u>	<u>174,605</u>	<u>1,774,992</u>	<u>2,048,151</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	240,894	123,375	364,269	766,396
Interest payable	14,073	7,682	21,755	16,387
Advance fuel sales	76,010	-	76,010	22,181
Internal balances	2,264,034	(2,264,034)	-	-
Customer deposits payable	-	237,715	237,715	230,717
Bonds, notes, and leases due within one year	574,811	517,348	1,092,159	971,121
Total current liabilities	<u>3,169,822</u>	<u>(1,377,914)</u>	<u>1,791,908</u>	<u>2,006,802</u>
Noncurrent liabilities:				
Compensated absences payable	317,407	49,700	367,107	339,455
Bonds, notes, and leases due after one year	1,843,456	4,229,614	6,073,070	6,956,782
OPEB obligation payable	1,194,398	278,693	1,473,091	1,452,278
Net pension liability	4,634,473	652,245	5,286,718	5,359,525
Total noncurrent liabilities	<u>7,989,734</u>	<u>5,210,252</u>	<u>13,199,986</u>	<u>14,108,040</u>
Total liabilities	<u>11,159,556</u>	<u>3,832,338</u>	<u>14,991,894</u>	<u>16,114,842</u>
DEFERRED INFLOWS OF RESOURCES				
Pension plans	829,480	32,613	862,093	698,769
OPEB obligation	1,131	264	1,395	-
Total deferred inflows of resources	<u>830,611</u>	<u>32,877</u>	<u>863,488</u>	<u>698,769</u>
NET POSITION				
Net investment in capital assets	13,305,200	14,610,201	27,915,401	26,741,819
Restricted for debt service	363,763	-	363,763	612,809
Restricted for capital projects	796,231	-	796,231	1,007,119
Restricted for sales tax dedications	95,928	-	95,928	-
Unrestricted	(4,714,017)	2,561,743	(2,152,274)	(2,373,027)
Total net position	<u>\$ 9,847,105</u>	<u>\$ 17,171,944</u>	<u>\$ 27,019,049</u>	<u>\$ 25,988,720</u>

CITY OF LEESVILLE, LOUISIANA

Comparative Balance Sheet - Major Governmental Funds
June 30, 2020

	General		Sales Tax		Public Safety	
	2020	2019	2020	2019	2020	2019
ASSETS						
Cash and interest-bearing deposits	\$ 470,449	\$ 226,484	\$ 2,974,921	\$ 2,051,857	\$ -	\$ -
Receivables -						
Due from other funds	955,930	981,936	-	-	-	-
Due from other governmental agencies	5,400	5,400	-	-	13,987	3,013
Other	116,695	115,023	301,697	248,854	148,597	122,570
Prepaid items	30,395	28,748	11,510	8,607	23,696	24,181
Inventories	149,526	180,498	-	-	-	-
Total assets	<u>\$ 1,728,395</u>	<u>\$ 1,538,089</u>	<u>\$ 3,288,128</u>	<u>\$ 2,309,318</u>	<u>\$ 186,280</u>	<u>\$ 149,764</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 13,239	\$ 21,793	\$ 5,217	\$ 11,026	\$ 2,229	\$ 17,476
Accrued liabilities	93,609	87,489	5,695	5,579	44,705	43,834
Due to other funds	1,010,350	954,981	2,567,189	1,802,051	134,449	826,917
Advance fuel sales	76,010	22,181	-	-	-	-
Claims liability	-	-	75,000	-	-	-
Total liabilities	<u>1,193,208</u>	<u>1,086,444</u>	<u>2,653,101</u>	<u>1,818,656</u>	<u>181,383</u>	<u>888,227</u>
Fund balances -						
Nonspendable	179,921	209,246	11,510	8,607	23,696	24,181
Restricted	-	-	95,928	-	-	-
Committed	-	-	527,589	482,055	-	-
Unassigned (deficit)	<u>355,266</u>	<u>242,399</u>	<u>-</u>	<u>-</u>	<u>(18,799)</u>	<u>(762,644)</u>
Total fund balances	<u>535,187</u>	<u>451,645</u>	<u>635,027</u>	<u>490,662</u>	<u>4,897</u>	<u>(738,463)</u>
Total liabilities and fund balances	<u>\$ 1,728,395</u>	<u>\$ 1,538,089</u>	<u>\$ 3,288,128</u>	<u>\$ 2,309,318</u>	<u>\$ 186,280</u>	<u>\$ 149,764</u>

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$ 986,000	\$ 928,196	\$ 810,868	\$(117,328)	\$ 760,779
Licenses and permits	443,500	426,764	434,951	8,187	461,298
Intergovernmental	20,000	29,905	29,905	-	31,981
Charges for services	216,600	214,705	215,572	867	205,569
Miscellaneous	86,215	105,553	131,674	26,121	93,161
Total revenues	<u>1,752,315</u>	<u>1,705,123</u>	<u>1,622,970</u>	<u>(82,153)</u>	<u>1,552,788</u>
Expenditures:					
Current:					
General government:					
General and administrative	965,236	819,839	833,485	(13,646)	942,577
Executive	83,617	76,123	72,530	3,593	103,339
Legal	47,340	45,303	46,528	(1,225)	43,603
Public works	1,125,645	1,017,802	997,746	20,056	1,104,959
Economic development	189,765	159,653	216,918	(57,265)	215,958
Debt service	90,000	82,937	113,559	(30,622)	68,398
Capital outlay	45,000	37,147	34,643	2,504	800,540
Total expenditures	<u>2,546,603</u>	<u>2,238,804</u>	<u>2,315,409</u>	<u>(76,605)</u>	<u>3,279,374</u>
Deficiency of revenues over expenditures	<u>(794,288)</u>	<u>(533,681)</u>	<u>(692,439)</u>	<u>(158,758)</u>	<u>(1,726,586)</u>
Other financing sources (uses):					
Proceeds from issuance of debt	-	-	-	-	675,000
Proceeds from capital lease	-	-	-	-	113,211
Transfers in	1,005,000	810,000	904,981	94,981	935,000
Transfers out	<u>(4,000)</u>	<u>(4,000)</u>	<u>(129,000)</u>	<u>(125,000)</u>	<u>(4,000)</u>
Total other financing sources (uses)	<u>1,001,000</u>	<u>806,000</u>	<u>775,981</u>	<u>(30,019)</u>	<u>1,719,211</u>
Net change in fund balance	206,712	272,319	83,542	(188,777)	(7,375)
Fund balance, beginning	<u>451,645</u>	<u>451,645</u>	<u>451,645</u>	<u>-</u>	<u>459,020</u>
Fund balance, ending	<u>\$ 658,357</u>	<u>\$ 723,964</u>	<u>\$ 535,187</u>	<u>\$(188,777)</u>	<u>\$ 451,645</u>

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 486,000	\$ 430,366	\$ 374,697	\$ (55,669)	\$ 213,645
Franchise	500,000	497,830	436,171	(61,659)	547,134
Total taxes	<u>986,000</u>	<u>928,196</u>	<u>810,868</u>	<u>(117,328)</u>	<u>760,779</u>
Licenses and permits:					
Occupational licenses	430,000	415,004	421,367	6,363	445,572
Permits	13,500	11,760	13,584	1,824	15,726
Total licenses and permits	<u>443,500</u>	<u>426,764</u>	<u>434,951</u>	<u>8,187</u>	<u>461,298</u>
Intergovernmental:					
State of Louisiana -					
Beer taxes	20,000	19,114	19,114	-	20,271
Federal and state grants	-	10,791	10,791	-	11,710
Total intergovernmental	<u>20,000</u>	<u>29,905</u>	<u>29,905</u>	<u>-</u>	<u>31,981</u>
Charges for services:					
Inspection fees	3,200	2,190	3,020	830	3,582
Airport hanger rent	25,000	25,000	25,553	553	24,531
Airport fuel sales	65,000	73,000	72,484	(516)	72,161
Industrial park	122,400	112,400	112,400	-	103,400
Miscellaneous	1,000	2,115	2,115	-	1,895
Total charges for services	<u>216,600</u>	<u>214,705</u>	<u>215,572</u>	<u>867</u>	<u>205,569</u>
Miscellaneous:					
Interest	10,000	8,472	8,419	(53)	14,351
Video bingo	60,000	43,401	47,482	4,081	63,063
Other sources	16,215	53,680	75,773	22,093	15,747
Total miscellaneous	<u>86,215</u>	<u>105,553</u>	<u>131,674</u>	<u>26,121</u>	<u>93,161</u>
Total revenues	<u>\$1,752,315</u>	<u>\$1,705,123</u>	<u>\$1,622,970</u>	<u>\$ (82,153)</u>	<u>\$1,552,788</u>

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government:					
General and administrative -					
Salaries and wages	\$ 439,170	\$ 372,728	\$ 388,748	\$ (16,020)	\$ 393,925
Payroll taxes	34,059	28,540	29,655	(1,115)	30,179
Retirement contribution	58,240	46,909	48,755	(1,846)	48,127
Deferred compensation	2,525	2,153	2,295	(142)	2,402
Hospitalization	20,100	19,978	24,639	(4,661)	23,499
Insurance	139,192	78,838	82,775	(3,937)	130,049
Materials and supplies	42,800	45,818	42,537	3,281	43,191
Advertisements and recordings	7,000	12,475	10,728	1,747	18,140
Accounting and auditing	30,000	20,470	15,470	5,000	24,685
Miscellaneous	44,150	58,489	46,548	11,941	65,145
Utilities and telephone	51,500	36,644	37,016	(372)	45,097
Repairs and maintenance	67,000	56,448	47,925	8,523	77,446
Dues	2,500	1,864	2,394	(530)	2,315
Travel	6,000	3,373	3,470	(97)	3,991
Uniforms	20,000	32,382	34,561	(2,179)	32,818
Annexation related costs	-	-	13,239	(13,239)	-
Legal fees	1,000	2,730	2,730	-	1,568
Total general and administrative	<u>965,236</u>	<u>819,839</u>	<u>833,485</u>	<u>(13,646)</u>	<u>942,577</u>
Executive -					
Salaries	56,210	54,760	56,584	(1,824)	54,455
Payroll taxes	4,300	4,017	4,188	(171)	4,166
Insurance	2,507	373	298	75	2,058
Travel	15,000	14,325	10,673	3,652	34,339
Public relations	5,000	2,648	787	1,861	7,726
Vehicle expense	600	-	-	-	595
Total executive	<u>83,617</u>	<u>76,123</u>	<u>72,530</u>	<u>3,593</u>	<u>103,339</u>

(continued)

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Legal -					
Salaries	40,000	34,616	36,292	(1,676)	36,004
Payroll taxes	3,200	3,069	3,174	(105)	3,187
Retirement contribution	-	-	-	-	312
Insurance	140	132	105	27	137
Legal fees	4,000	7,486	6,957	529	3,963
Total legal	<u>47,340</u>	<u>45,303</u>	<u>46,528</u>	<u>(1,225)</u>	<u>43,603</u>
Public works:					
Salaries	549,500	493,466	509,352	(15,886)	545,206
Payroll taxes	42,045	36,782	37,882	(1,100)	39,684
Retirement contribution	71,400	59,770	61,593	(1,823)	66,072
Deferred compensation	2,600	2,108	2,282	(174)	2,565
Hospitalization	40,100	26,627	32,539	(5,912)	53,550
Maintenance and supplies	136,600	148,212	119,762	28,450	129,602
Dumpster service	5,700	5,786	5,725	61	5,221
Utilities and telephone	151,500	120,325	111,239	9,086	120,542
Insurance	85,900	83,417	75,720	7,697	110,091
Miscellaneous	40,300	41,309	41,652	(343)	32,426
Total public works	<u>1,125,645</u>	<u>1,017,802</u>	<u>997,746</u>	<u>20,056</u>	<u>1,104,959</u>
Economic development -					
Salaries	45,000	37,327	38,797	(1,470)	42,775
Payroll taxes	3,900	3,286	3,361	(75)	3,689
Maintenance and supplies	24,500	26,761	28,201	(1,440)	23,127
Fuel	75,000	59,730	57,738	1,992	57,340
Utilities and telephone	32,050	25,825	27,317	(1,492)	29,147
Insurance	7,315	4,724	59,842	(55,118)	58,299
Miscellaneous	2,000	2,000	1,662	338	1,581
Total economic development	<u>189,765</u>	<u>159,653</u>	<u>216,918</u>	<u>(57,265)</u>	<u>215,958</u>

(continued)

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Debt service:					
Retirement of principal	67,500	62,203	83,814	(21,611)	22,686
Interest and fiscal charges	22,500	20,734	29,745	(9,011)	16,074
Issuance costs	-	-	-	-	29,638
Total debt service	<u>90,000</u>	<u>82,937</u>	<u>113,559</u>	<u>(30,622)</u>	<u>68,398</u>
Capital outlay:					
General government	-	-	-	-	683,435
Public works	<u>45,000</u>	<u>37,147</u>	<u>34,643</u>	<u>2,504</u>	<u>117,105</u>
Total capital outlay	<u>45,000</u>	<u>37,147</u>	<u>34,643</u>	<u>2,504</u>	<u>800,540</u>
Total expenditures	<u>\$2,546,603</u>	<u>\$2,238,804</u>	<u>\$2,315,409</u>	<u>\$ (76,605)</u>	<u>\$3,279,374</u>

CITY OF LEESVILLE, LOUISIANA
Special Revenue Fund
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 3,000,000	\$ 3,009,366	\$ 3,158,177	\$ 148,811	\$ 2,909,515
Charges for services	15,400	5,714	6,090	376	15,244
Miscellaneous	43,450	36,031	42,347	6,316	49,164
Total revenues	<u>3,058,850</u>	<u>3,051,111</u>	<u>3,206,614</u>	<u>155,503</u>	<u>2,973,923</u>
Expenditures:					
Current -					
General government:					
Salaries and wages	51,683	59,400	61,453	(2,053)	47,816
Payroll taxes	3,954	4,900	5,020	(120)	4,061
Retirement contribution	6,598	7,600	7,841	(241)	6,488
Deferred compensation	520	500	500	-	560
Collection fees	80,000	45,000	44,710	290	78,635
Litigation expense	-	75,000	75,000	-	-
Park equipment	-	400	1,073	(673)	22,769
Miscellaneous	13,438	14,365	14,075	290	14,721
Total general government	<u>156,193</u>	<u>207,165</u>	<u>209,672</u>	<u>(2,507)</u>	<u>175,050</u>
Culture and recreation:					
Recreation department	167,755	162,264	173,505	(11,241)	170,161
Recreation complex	61,105	69,123	70,485	(1,362)	65,657
Neighborhood center	155,750	155,601	158,222	(2,621)	155,985
Leisure pool	31,775	33,950	17,459	16,491	34,643
Total culture and recreation	<u>416,385</u>	<u>420,938</u>	<u>419,671</u>	<u>1,267</u>	<u>426,446</u>
Debt service -					
Retirement of principal	6,000	6,630	6,630	-	7,320
Interest and fiscal charges	2,000	1,028	1,028	-	339
Total debt service	<u>8,000</u>	<u>7,658</u>	<u>7,658</u>	<u>-</u>	<u>7,659</u>
Capital outlay -					
Culture and recreation:					
Recreation department	5,000	-	616	(616)	6,265
Neighborhood center	2,000	1,050	1,049	1	29,540
Total capital outlay	<u>7,000</u>	<u>1,050</u>	<u>1,665</u>	<u>(615)</u>	<u>35,805</u>
Total expenditures	<u>587,578</u>	<u>636,811</u>	<u>638,666</u>	<u>(1,855)</u>	<u>644,960</u>
Excess of revenues over expenditures	<u>2,471,272</u>	<u>2,414,300</u>	<u>2,567,948</u>	<u>153,648</u>	<u>2,328,963</u>
Other financing uses:					
Proceeds from capital lease	-	-	-	-	28,201
Transfers out	(2,423,583)	(2,423,583)	(2,423,583)	-	(2,357,225)
Total other financing sources (uses)	<u>(2,423,583)</u>	<u>(2,423,583)</u>	<u>(2,423,583)</u>	<u>-</u>	<u>(2,329,024)</u>
Net change in fund balance	47,689	(9,283)	144,365	153,648	(61)
Fund balance, beginning	490,662	490,662	490,662	-	490,723
Fund balance, ending	<u>\$ 538,351</u>	<u>\$ 481,379</u>	<u>\$ 635,027</u>	<u>\$ 153,648</u>	<u>\$ 490,662</u>

CITY OF LEESVILLE, LOUISIANA
Special Revenue Fund
Public Safety Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 1,500,000	\$ 1,525,862	\$ 1,555,520	\$ 29,658	\$ 1,433,045
Intergovernmental	221,760	94,503	218,054	123,551	269,858
Fines and forfeitures	180,000	73,594	81,144	7,550	160,970
Charges for services	144,000	98,438	110,687	12,249	140,812
Miscellaneous	-	4,885	11,440	6,555	17,847
Total revenues	<u>2,045,760</u>	<u>1,797,282</u>	<u>1,976,845</u>	<u>179,563</u>	<u>2,022,532</u>
Expenditures:					
Current -					
General Government:					
Accounting and auditing	-	6,980	6,980	-	7,750
Public safety:					
Police -					
Salaries and wages	1,620,000	1,305,665	1,371,786	(66,121)	1,660,261
Payroll taxes	115,000	97,896	97,985	(89)	116,451
Retirement contribution	422,500	289,772	285,388	4,384	327,838
Hospitalization	110,000	83,324	100,833	(17,509)	129,012
Insurance	167,000	192,513	185,878	6,635	177,103
Telephone and utilities	66,000	64,947	66,943	(1,996)	64,328
Maintenance and supplies	207,400	186,940	186,777	163	215,984
Collection fee	50,000	22,415	22,001	414	38,963
Equipment lease	2,500	1,592	2,115	(523)	2,174
Prisoner expense	105,000	98,688	81,734	16,954	91,077
Miscellaneous	53,300	38,325	32,982	5,343	40,283
Total police	<u>2,918,700</u>	<u>2,382,077</u>	<u>2,434,422</u>	<u>(52,345)</u>	<u>2,863,474</u>
Fire -					
Salaries and wages	585,000	537,511	565,935	(28,424)	566,378
Payroll taxes	38,250	40,936	40,625	311	40,445
Retirement contribution	124,875	98,366	97,183	1,183	85,274
Hospitalization	55,000	54,223	66,587	(12,364)	64,267
Insurance	136,000	80,595	66,684	13,911	98,631
Telephone and utilities	40,000	40,405	41,063	(658)	37,828
Maintenance and supplies	40,500	42,195	40,175	2,020	30,997
Miscellaneous	25,000	9,210	11,328	(2,118)	32,210
Total fire	<u>1,044,625</u>	<u>903,441</u>	<u>929,580</u>	<u>(26,139)</u>	<u>956,030</u>

(continued)

CITY OF LEESVILLE, LOUISIANA
Special Revenue Fund
Public Safety Special Revenue Fund

Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Expenditures (continued):					
City Court -					
Salaries and wages	75,500	77,261	77,812	(551)	75,786
Payroll taxes	6,000	7,448	6,196	1,252	6,225
Retirement contribution	220	246	210	36	667
Insurance	325	371	246	125	322
Miscellaneous	13,000	12,000	12,000	-	13,384
Utilities	5,000	8,077	7,585	492	5,653
Maintenance	5,000	605	808	(203)	4,425
Total city court	<u>105,045</u>	<u>106,008</u>	<u>104,857</u>	<u>1,151</u>	<u>106,462</u>
Debt service -					
Retirement of principal	66,500	64,617	65,581	(964)	55,799
Interest and fiscal charges	18,500	19,154	18,190	964	23,543
Total debt service	<u>85,000</u>	<u>83,771</u>	<u>83,771</u>	<u>-</u>	<u>79,342</u>
Capital outlay -					
Public safety:					
Police	-	-	-	-	23,648
Fire	15,000	8,875	8,875	-	3,041
Total capital outlay	<u>15,000</u>	<u>8,875</u>	<u>8,875</u>	<u>-</u>	<u>26,689</u>
Total expenditures	<u>4,168,370</u>	<u>3,491,152</u>	<u>3,568,485</u>	<u>(77,333)</u>	<u>4,039,747</u>
Deficiency of revenues over expenditures	(2,122,610)	(1,693,870)	(1,591,640)	102,230	(2,017,215)
Other financing sources (uses):					
Transfers in	<u>2,210,000</u>	<u>2,210,000</u>	<u>2,335,000</u>	<u>125,000</u>	<u>2,335,000</u>
Net change in fund balance	87,390	516,130	743,360	227,230	317,785
Fund balance (deficit), beginning	<u>(738,463)</u>	<u>(738,463)</u>	<u>(738,463)</u>	<u>-</u>	<u>(1,056,248)</u>
Fund balance (deficit), ending	<u>\$ (651,073)</u>	<u>\$ (222,333)</u>	<u>\$ 4,897</u>	<u>\$ 227,230</u>	<u>\$ (738,463)</u>

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Fund

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

Mainstreet Program Fund -

To account for the activity to foster economic development and stimulate cultural tourism throughout the City's downtown area.

Debt Service Funds

Debt service funds are used to accumulate resources to be used to make debt service principal and interest payments on general obligation long-term debt.

Sales Tax Sinking Fund

To accumulate monies for payment of the \$1,344,000 Sales Tax Refunding Bonds, Series 2013. Debt service is financed by the collection of sales taxes.

2016 Certificates of Indebtedness Fund

To accumulate monies for payment of the \$2,000,000 Certificates of Indebtedness, Series 2016. Debt service is financed by the collection of ad valorem taxes.

2004 GOB Street Improvement Fund

To accumulate monies for payment of the \$1,800,000 General Obligation Bonds, Series 2004. Debt service is financed by the collection of ad valorem taxes.

Capital Projects Fund

Capital projects funds are used to accumulate resources to be used for the acquisition or construction of capital facilities.

Airport Construction Fund -

To account for improvements and rehabilitation costs associated with the City's airport which is funded by state and federal monies.

Improvements Capital Projects Fund -

To account for improvements throughout the City financed with the proceeds from the Certificates of Indebtedness, Series 2016, and state grants.

CITY OF LEESVILLE, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2020

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and interest-bearing deposits	\$ -	\$ 206,255	\$ -	\$ 206,255
Receivables -				
Due from other funds	76,310	183,243	273,552	533,105
Due from other governmental agencies	-	-	52,696	52,696
Restricted cash and interest-bearing deposits	-	-	500,602	500,602
Total assets	\$ 76,310	\$ 389,498	\$ 826,850	\$ 1,292,658
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and retainage payable	\$ -	\$ -	\$ 1,200	\$ 1,200
Due to other funds	-	11,662	29,419	41,081
Total liabilities	-	11,662	30,619	42,281
Fund balances:				
Restricted for debt service	-	377,836	-	377,836
Restricted for capital projects	-	-	796,231	796,231
Unassigned	76,310	-	-	76,310
Total fund balances	76,310	377,836	796,231	1,250,377
Total liabilities and fund balances	\$ 76,310	\$ 389,498	\$ 826,850	\$ 1,292,658

CITY OF LEESVILLE, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2020

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Taxes	\$ -	\$ 241,773	\$ -	\$ 241,773
Intergovernmental	-	-	174,570	174,570
Miscellaneous	<u>2,075</u>	<u>64</u>	<u>838</u>	<u>2,977</u>
Total revenues	<u>2,075</u>	<u>241,837</u>	<u>175,408</u>	<u>419,320</u>
Expenditures:				
Current -				
Public works	4,635	-	-	4,635
Debt service	-	451,773	-	451,773
Capital outlay	<u>-</u>	<u>-</u>	<u>251,237</u>	<u>251,237</u>
Total expenditures	<u>4,635</u>	<u>451,773</u>	<u>251,237</u>	<u>707,645</u>
Deficiency of revenues over expenditures	(2,560)	(209,936)	(75,829)	(288,325)
Other financing sources (uses):				
Transfers in	4,000	213,583	-	217,583
Transfers out	<u>-</u>	<u>(254,981)</u>	<u>-</u>	<u>(254,981)</u>
Total financing sources (uses)	<u>4,000</u>	<u>(41,398)</u>	<u>-</u>	<u>(37,398)</u>
Net change in fund balance	1,440	(251,334)	(75,829)	(325,723)
Fund balances, beginning, as restated	<u>74,870</u>	<u>629,170</u>	<u>872,060</u>	<u>1,576,100</u>
Fund balances, ending	<u>\$ 76,310</u>	<u>\$ 377,836</u>	<u>\$ 796,231</u>	<u>\$ 1,250,377</u>

NONMAJOR DEBT SERVICE FUNDS

CITY OF LEESVILLE, LOUISIANA
Nonmajor Debt Service Funds

Combining Balance Sheet
June 30, 2020

	<u>Sales Tax Sinking</u>	<u>2016 Certificates of Indebtedness</u>	<u>2004 GOB Street Improvements</u>	<u>Total</u>
ASSETS				
Cash and interest-bearing deposits	\$ 194,544	\$ 11,711	\$ -	\$ 206,255
Receivables -				
Due from other funds	<u>183,243</u>	<u>-</u>	<u>-</u>	<u>183,243</u>
Total assets	<u>\$ 377,787</u>	<u>\$ 11,711</u>	<u>\$ -</u>	<u>\$ 389,498</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ 11,662	\$ -	11,662
Fund balances:				
Restricted for debt service	<u>377,787</u>	<u>49</u>	<u>-</u>	<u>377,836</u>
Total liabilities and fund balances	<u>\$ 377,787</u>	<u>\$ 11,711</u>	<u>\$ -</u>	<u>\$ 389,498</u>

CITY OF LEESVILLE, LOUISIANA
Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2020

	Sales Tax Sinking	2016 Certificates of Indebtedness	2004 GOB Street Improvements	Total
Revenues:				
Taxes	\$ -	\$ 241,773	\$ -	\$ 241,773
Miscellaneous	<u>50</u>	<u>14</u>	<u>-</u>	<u>64</u>
Total revenues	50	241,787	-	241,837
Expenditures:				
Debt service	<u>210,000</u>	<u>241,773</u>	<u>-</u>	<u>451,773</u>
Excess (deficiency) of revenues over expenditures	(209,950)	14	-	(209,936)
Other financing sources (uses):				
Transfers in	213,583	-	-	213,583
Transfers out	<u>-</u>	<u>-</u>	<u>(254,981)</u>	<u>(254,981)</u>
Total other financing sources (uses)	<u>213,583</u>	<u>-</u>	<u>(254,981)</u>	<u>(41,398)</u>
Net change in fund balance	3,633	14	(254,981)	(251,334)
Fund balances, beginning	<u>374,154</u>	<u>35</u>	<u>254,981</u>	<u>629,170</u>
Fund balances, ending	<u>\$ 377,787</u>	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ 377,836</u>

NONMAJOR CAPITAL PROJECTS FUNDS

CITY OF LEESVILLE, LOUISIANA
Nonmajor Capital Projects Funds

Combining Balance Sheet
June 30, 2020

	<u>Airport Construction</u>	<u>Improvements</u>	<u>Total</u>
ASSETS			
Due from other funds	\$ -	\$ 273,552	\$ 273,552
Due from other governmental agencies	52,696	-	52,696
Restricted cash and interest-bearing deposits	<u>-</u>	<u>500,602</u>	<u>500,602</u>
Total assets	<u>\$ 52,696</u>	<u>\$ 774,154</u>	<u>\$ 826,850</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Contracts and retainage payable	\$ 1,200	\$ -	\$ 1,200
Due to other funds	<u>29,419</u>	<u>-</u>	<u>29,419</u>
Total liabilities	30,619	-	30,619
Fund balances:			
Restricted for capital projects	<u>22,077</u>	<u>774,154</u>	<u>796,231</u>
Total liabilities and fund balances	<u>\$ 52,696</u>	<u>\$ 774,154</u>	<u>\$ 826,850</u>

CITY OF LEESVILLE, LOUISIANA
Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2020

	<u>Airport Construction</u>	<u>Improvements</u>	<u>Total</u>
Revenues:			
Intergovernmental	\$ 174,570	\$ -	\$ 174,570
Miscellaneous	<u>-</u>	<u>838</u>	<u>838</u>
Total revenues	174,570	838	175,408
Expenditures:			
Capital outlay	<u>153,523</u>	<u>97,714</u>	<u>251,237</u>
Net change in fund balance	21,047	(96,876)	(75,829)
Fund balances, beginning, as restated	<u>1,030</u>	<u>871,030</u>	<u>872,060</u>
Fund balances, ending	<u>\$ 22,077</u>	<u>\$ 774,154</u>	<u>\$ 796,231</u>

CITY OF LEEVILLE, LOUISIANA

Comparative Statement of Position - Proprietary Funds
June 30, 2020

	Business -Type Activities - Enterprise Funds							
	Sewer		Water		Fort Polk Vegetation Control		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
ASSETS								
Current assets:								
Cash and interest-bearing deposits	\$ -	\$ 60,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,919
Receivables:								
Accounts, net	155,907	132,655	232,987	198,691	-	-	388,894	331,346
Due from other funds	1,106,129	832,613	1,220,622	1,517,194	74,533	-	2,401,284	2,349,807
Due from other governmental agencies	-	-	609,705	1,187,668	261,628	249,819	871,333	1,437,487
Prepaid items	4,277	5,247	4,277	5,247	3,035	3,720	11,589	14,214
Total current assets	<u>1,266,313</u>	<u>1,031,434</u>	<u>2,067,591</u>	<u>2,908,800</u>	<u>339,196</u>	<u>253,539</u>	<u>3,673,100</u>	<u>4,193,773</u>
Noncurrent assets:								
Restricted assets -								
Cash and interest-bearing deposits	-	-	1,602,829	1,168,044	-	-	1,602,829	1,168,044
Land and construction in progress	170,809	119,876	252,372	1,395,832	-	-	423,181	1,515,708
Capital assets, net of accumulated depreciation	8,864,568	9,269,807	7,852,934	6,032,348	847,226	813,327	17,564,728	16,115,482
Total noncurrent assets	<u>9,035,377</u>	<u>9,389,683</u>	<u>9,708,135</u>	<u>8,596,224</u>	<u>847,226</u>	<u>813,327</u>	<u>19,590,738</u>	<u>18,799,234</u>
Total assets	<u>10,301,690</u>	<u>10,421,117</u>	<u>11,775,726</u>	<u>11,505,024</u>	<u>1,186,422</u>	<u>1,066,866</u>	<u>23,263,838</u>	<u>22,993,007</u>
DEFERRED OUTFLOWS OF RESOURCES								
Pension plans	<u>92,368</u>	<u>107,978</u>	<u>68,612</u>	<u>83,711</u>	<u>13,625</u>	<u>8,092</u>	<u>174,605</u>	<u>199,781</u>
LIABILITIES								
Current liabilities (payable from current assets):								
Accounts and other payables	6,686	4,782	13,675	380,101	103,014	131,619	123,375	516,502
Due to other funds	25,346	25,346	111,904	111,904	-	105,156	137,250	242,406
Capital lease	1,771	5,238	1,771	5,238	211,990	189,518	215,532	199,994
Note payable	-	-	11,816	50,217	-	-	11,816	50,217
Accrued interest payable	3	13	3	13	-	-	6	26
Total	<u>33,806</u>	<u>35,379</u>	<u>139,169</u>	<u>547,473</u>	<u>315,004</u>	<u>426,293</u>	<u>487,979</u>	<u>1,009,145</u>
Current liabilities (payable from restricted assets):								
Customer deposits payable	-	-	237,715	230,717	-	-	237,715	230,717
Revenue bonds	-	-	290,000	150,000	-	-	290,000	150,000
Accrued interest payable	-	-	7,676	-	-	-	7,676	-
Total	<u>-</u>	<u>-</u>	<u>535,391</u>	<u>380,717</u>	<u>-</u>	<u>-</u>	<u>535,391</u>	<u>380,717</u>
Total current liabilities	<u>33,806</u>	<u>35,379</u>	<u>674,560</u>	<u>928,190</u>	<u>315,004</u>	<u>426,293</u>	<u>1,023,370</u>	<u>1,389,862</u>
Noncurrent liabilities:								
Compensated absences payable	33,601	30,680	10,901	12,685	5,198	804	49,700	44,169
OPEB obligation payable	159,253	142,380	79,627	56,952	39,813	56,952	278,693	256,284
Net pension liability	346,110	331,766	290,416	282,927	15,719	6,271	652,245	620,964
Revenue bonds payable	-	-	3,790,000	3,930,000	-	-	3,790,000	3,930,000
Capital lease	-	1,773	-	1,773	415,981	566,405	415,981	569,951
Note payable	-	-	23,633	35,449	-	-	23,633	35,449
Total noncurrent liabilities	<u>538,964</u>	<u>506,599</u>	<u>4,194,577</u>	<u>4,319,786</u>	<u>476,711</u>	<u>630,432</u>	<u>5,210,252</u>	<u>5,456,817</u>
Total liabilities	<u>572,770</u>	<u>541,978</u>	<u>4,869,137</u>	<u>5,247,976</u>	<u>791,715</u>	<u>1,056,725</u>	<u>6,233,622</u>	<u>6,846,679</u>
DEFERRED INFLOWS OF RESOURCES								
Pension plans	17,184	20,123	12,551	14,944	2,878	2,904	32,613	37,971
OPEB obligation	151	-	75	-	38	-	264	-
Total deferred inflows of resources	<u>17,335</u>	<u>20,123</u>	<u>12,626</u>	<u>14,944</u>	<u>2,916</u>	<u>2,904</u>	<u>32,877</u>	<u>37,971</u>
NET POSITION								
Net investment in capital assets	9,033,606	9,382,672	5,357,340	4,243,047	219,255	57,404	14,610,201	13,683,123
Unrestricted	770,347	584,322	1,605,235	2,082,768	186,161	(42,075)	2,561,743	2,625,015
Total net position	<u>\$ 9,803,953</u>	<u>\$ 9,966,994</u>	<u>\$ 6,962,575</u>	<u>\$ 6,325,815</u>	<u>\$ 405,416</u>	<u>\$ 15,329</u>	<u>\$ 17,171,944</u>	<u>\$ 16,308,138</u>

CITY OF LEESVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2020

	Business -Type Activities - Enterprise Funds							
	Sewer		Water		Fort Polk Vegetation Control		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Operating revenues:								
Charges for services	\$ 934,565	\$ 775,435	\$ 1,533,877	\$ 1,348,149	\$ 3,032,293	\$ 2,942,827	\$ 5,500,735	\$ 5,066,411
Miscellaneous	-	-	3,968	5,099	337	102	4,305	5,201
Total operating revenues	<u>934,565</u>	<u>775,435</u>	<u>1,537,845</u>	<u>1,353,248</u>	<u>3,032,630</u>	<u>2,942,929</u>	<u>5,505,040</u>	<u>5,071,612</u>
Operating expenses:								
Salaries	276,944	274,143	179,511	196,436	130,836	113,051	587,291	583,630
Employee benefits	24,367	22,622	13,653	16,429	21,464	18,788	59,484	57,839
OPEB expense (benefit)	17,024	3,595	22,750	1,438	(17,101)	1,438	22,673	6,471
Pension expense	66,167	60,344	48,249	44,465	11,471	8,514	125,887	113,323
Operating supplies	49,327	30,113	192,758	155,105	213,001	195,058	455,086	380,276
Vehicle expense	14,170	17,237	29,592	35,384	94,847	93,082	138,609	145,703
Utilities and communications	114,971	129,489	139,142	177,013	1,801	2,212	255,914	308,714
Insurance	70,509	74,362	97,914	104,343	26,949	44,710	195,372	223,415
Legal and other professional	13,230	14,095	21,950	21,060	14,765	9,355	49,945	44,510
Litigation expense	-	-	-	-	100,000	-	100,000	-
Repairs and maintenance	118,470	53,382	41,733	63,736	111,128	56,952	271,331	174,070
Contracted services	-	-	-	-	1,352,891	1,301,254	1,352,891	1,301,254
Bad debt	22,787	32,925	79,451	51,464	-	-	102,238	84,389
Miscellaneous	44,930	59,365	78	1,208	-	-	45,008	60,573
Depreciation	421,077	421,052	324,858	306,459	150,875	130,643	896,810	858,154
Total operating expenses	<u>1,253,973</u>	<u>1,192,724</u>	<u>1,191,639</u>	<u>1,174,540</u>	<u>2,212,927</u>	<u>1,975,057</u>	<u>4,658,539</u>	<u>4,342,321</u>
Operating income (loss)	<u>(319,408)</u>	<u>(417,289)</u>	<u>346,206</u>	<u>178,708</u>	<u>819,703</u>	<u>967,872</u>	<u>846,501</u>	<u>729,291</u>
Nonoperating revenues (expenses):								
Interest income	96	255	1,331	1,224	-	-	1,427	1,479
Ad valorem taxes	148,253	121,799	-	-	-	-	148,253	121,799
Nonemployer pension contribution	8,205	7,860	5,879	5,630	1,589	1,386	15,673	14,876
Interest expense	(187)	(401)	(101,324)	(82,613)	(31,205)	(35,036)	(132,716)	(118,050)
Total nonoperating revenues (expenses)	<u>156,367</u>	<u>129,513</u>	<u>(94,114)</u>	<u>(75,759)</u>	<u>(29,616)</u>	<u>(33,650)</u>	<u>32,637</u>	<u>20,104</u>
Income (loss) before contributions and transfers	<u>(163,041)</u>	<u>(287,776)</u>	<u>252,092</u>	<u>102,949</u>	<u>790,087</u>	<u>934,222</u>	<u>879,138</u>	<u>749,395</u>
Capital Contributions	-	152,583	634,668	317,412	-	-	634,668	469,995
Transfers out	-	-	(250,000)	(225,000)	(400,000)	(900,000)	(650,000)	(1,125,000)
Change in net position	<u>(163,041)</u>	<u>(135,193)</u>	<u>636,760</u>	<u>195,361</u>	<u>390,087</u>	<u>34,222</u>	<u>863,806</u>	<u>94,390</u>
Net position, beginning	<u>9,966,994</u>	<u>10,102,187</u>	<u>6,325,815</u>	<u>6,130,454</u>	<u>15,329</u>	<u>(18,893)</u>	<u>16,308,138</u>	<u>16,213,748</u>
Net position, ending	<u>\$ 9,803,953</u>	<u>\$ 9,966,994</u>	<u>\$ 6,962,575</u>	<u>\$ 6,325,815</u>	<u>\$ 405,416</u>	<u>\$ 15,329</u>	<u>\$ 17,171,944</u>	<u>\$ 16,308,138</u>

**INTERNAL CONTROL, COMPLIANCE
AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Rick Allen, Mayor
and Members of the City Council
City of Leesville, 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 Leesville, Louisiana (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 10, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be 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's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2020-001.

City of Leesville, Louisiana's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 10, 2020

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Rick Allen, Mayor,
and Members of the City Council
City of Leesville, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Leesville, Louisiana's (City) 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's major federal programs for the year ended June 30, 2020. The City'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'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'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 of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Leesville, 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 June 30, 2020.

Report on Internal Control over Compliance

Management of the City 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'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'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 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.

Purpose of this Report

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; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 10, 2020

CITY OF LEESVILLE, LOUISIANA

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor / Pass-Through Grantor / Program Name	CFDA Number	Expenditures
<u>U.S. Environmental Protection Agency</u>		
Passed-through State of Louisiana Department of Health and Hospitals:		
Drinking Water State Revolving Fund Cluster - Capitalization Grants for Drinking Water State Revolving Funds	66.468	<u>\$ 654,186</u>
<u>U.S. Department of Transportation</u>		
Airport Improvement Program	20.106	95,254
Passed-through State of Louisiana Department of Public Safety and Corrections - Louisiana Highway Safety Commission		
State and Community Highway Safety	20.607	4,553
Alcohol Open Container Requirements	20.607	<u>4,553</u>
Total U.S. Department of Transportation		<u>104,360</u>
<u>U.S. Department of Justice</u>		
Passed-through State of Louisiana Commission on Law Enforcement and Administration of Criminal Justice and Vernon Parish Sheriff		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	<u>7,586</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 766,132</u>

The accompanying notes are an integral part of this schedule.

CITY OF LEESVILLE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

(1) Basis of Accounting

The accompanying schedule of expenditures of federal awards (the schedule) presents the activity of all federal financial assistance programs of the City of Leesville, Louisiana (the City). The City's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City of Leesville, Louisiana has not elected to use the 10 percent *de minimus* indirect cost rate as allowed under the Uniform Guidance.

(3) Relationship to Fund Financial Statements

Federal financial assistance is reported in the City's fund financial statements as follows:

From federal sources:

Government Fund Types -	
Special Revenue Funds	\$ 16,692
Capital Projects Funds	95,254
Proprietary Fund Type -	
Water Fund	<u>654,186</u>
Total	<u>\$ 766,132</u>

(4) Subrecipients

The City provided no federal awards to subrecipients.

CITY OF LEESVILLE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Part I. Summary of Auditor's Results

Financial Statements

1. Type of auditor's opinion issued on financial statements:

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental activities	Unmodified
Major funds:	
General	Unmodified
Sales Tax Fund	Unmodified
Public Safety Fund	Unmodified
Sewer Fund	Unmodified
Water Fund	Unmodified
Fort Polk Vegetation Control Fund	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified? yes x no
 Significant deficiency(ies) identified? yes x no

3. Noncompliance material to the financial statements?

 x yes no

Federal Awards

4. Internal control over major federal programs:

Material weakness(es) identified? yes x no
 Significant deficiency(ies) identified? yes x no

5. Major programs and type of auditor's report issued:

<u>CFDA Number</u>	<u>Federal Agency and Name of Major Program</u>	<u>Type of Opinion</u>
	<u>U.S. Environmental Protection Agency</u>	
66.468	Capitalization Grants for Drinking Water State Revolving Funds	Unmodified

6. Audit findings required to be reported in accordance with 2 CFR §200.516(a)?

 yes x no

7. Threshold for distinguishing type A and B programs?

\$ 750,000

8. Qualified as a low-risk auditee?

 yes x no

Other

9. Management letter issued?

 x yes no

CITY OF LEESVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2020

Part II. Findings reported in accordance with Government Auditing Standards

A. Internal Control over Financial Reporting –

No findings reported under this section.

B. Compliance –

2020-001 Noncompliance with Budget Act

Fiscal year finding initially occurred: 2015

CONDITION: The City did not comply with the provisions of LSA-RS 39:1305(E) with respect to the Public Safety Special Revenue Fund.

CRITERIA: LSA-RS 39:1305(E) states that when preparing and/or amending budgets, the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year.

CAUSE: Prior staff charged with amending budgets misinterpreted the requirements of the local government budget act resulting in a situation difficult to overcome by current staff.

EFFECT: Although a current year surplus was budgeted, this amount was not sufficient to overcome the fund balance deficit from prior years. The original proposed budget and the amended budget adopted for the Public Safety Special Revenue Fund proposed expenditures exceeding funds available for the ensuing fiscal year by \$651,073 and \$222,333, respectively.

RECOMMENDATION: It is recommended that the City fully comply with the provisions of LSA-RS 39:1305(E) by adopting budgets in which the proposed expenditures do not exceed the total of estimated funds available for the ensuing year.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City will adhere to the provisions of LSA-RS 39:1305(E) by adopting budgets in which the proposed expenditures do not exceed the total of estimated funds available for the ensuing year.

C. Management Letter –

A management letter was issued related to operating deficits in the Sewer Enterprise Fund.

Part III. Findings and questioned costs for Federal Awards defined in the Uniform Guidance

No findings reported under this section.

MAYOR
Rick Allen

CITY ADMINISTRATOR
Patti J. Larney

CITY CLERK
Sonny Harrell



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COUNCILMEMBERS:
Chris Robertson
Willie Mae Kennedy
Nicole Ybarra
Tony Shapkovff
Alice Guess
Phillip Hunt

CORRECTIVE ACTION PLAN

November 10, 2020

U.S. Environmental Protection Agency

City of Leesville, Louisiana respectfully submits the following corrective action plan for the year ended June 30, 2020.

Name and address of independent public accounting firm:
Kolder, Slaven, & Company, LLC
183 S. Beadle Road
Lafayette, LA 70508

Audit period: June 30, 2020

The findings from the June 30, 2020 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

COMPLIANCE

2020-001 – Noncompliance with Budget Act

Recommendation: It is recommended that the City fully comply with the provisions of LSA-RS 39:1305(E) by adopting budgets in which the proposed expenditures do not exceed the total of estimated funds available for the ensuing year.

Action Taken: The City will adhere to the provisions of LSA-RS 39:1305(E) by adopting budgets in which the proposed expenditures do not exceed the total of estimated funds available for the ensuing year.

If the U.S. Environmental Protection Agency has questions regarding this plan, please call Patti J. Larney, City Administrator, at 337-239-2444.

Sincerely yours,

Patti J. Larney, City Administrator
City of Leesville, Louisiana

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MAYOR
Rick Allen

CITY ADMINISTRATOR
Patti J. Larney

CITY CLERK
Sonny Harrell



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

November 10, 2020

U.S. Environmental Protection Agency

City of Leesville, Louisiana respectfully submits the following schedule of prior audit findings for the year ended June 30, 2020.

Name and address of independent public accounting firm:
Kolder, Slaven, & Company, LLC
183 S. Beadle Road
Lafayette, LA 70508

Audit period: June 30, 2019

The findings from the June 30, 2019 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

COMPLIANCE

2019-001 – Noncompliance with Budget Act

Condition: The City did not comply with the provisions of LSA-RS 39:1305(E) with respect to the Public Safety Special Revenue Fund.

Recommendation: It is recommended that the City fully comply with the provisions of LSA-RS 39:1305(E) by adopting budgets in which the proposed expenditures do not exceed the total of estimated funds available for the ensuing year.

Current Status: Although a current year surplus was budgeted, this amount was not sufficient to overcome the fund balance deficit from prior years. The original proposed budget and the amended budget adopted for the Public Safety Special Revenue Fund proposed expenditures exceeding funds available for the ensuing fiscal year by \$950,988 and \$968,225, respectively. See current year finding 2020-001.

If the U.S. Environmental Protection Agency has questions regarding this plan, please call Patti J. Larney, City Administrator, at 337-239-2444.

Sincerely yours,

Patti J. Larney, City Administrator
City of Leesville, Louisiana

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KOLDER, SLAVEN & COMPANY, LLC

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434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
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MANAGEMENT LETTER

The Honorable Rick Allen, Mayor
and Members of the City Council
City of Leesville, Louisiana

We have completed our audit of the basic financial statements of the City of Leesville, Louisiana for the year ended June 30, 2020, and submit the following recommendations for your consideration:

- (1) The Sewer Enterprise Fund experienced an operating loss of \$319,408 during the current year. The City should evaluate operations to determine methods to increase revenues and/or reduce expenses in order to operate at a surplus.

In conclusion, we express our appreciation to you and your staff, particularly to your office staff, for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing our recommendations, please feel free to contact us.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 10, 2020