

**CITY OF LEESVILLE, LOUISIANA**

Financial Report

Year Ended June 30, 2023

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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 Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Leesville, Louisiana (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the 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 - 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing 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 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information on pages 64 through 83 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and comparative statements and the justice system funding schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of expenditures of federal awards on page 90 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. 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 statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and comparative statements, justice system funding schedule, 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 2022 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements from which they were derived.

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have issued our report dated November 20, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
November 20, 2023

## **BASIC FINANCIAL STATEMENTS**



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

CITY OF LEESVILLE, LOUISIANA

Statement of Net Position  
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 12,520,803	\$ 1,376,297	\$ 13,897,100
Receivables, net	746,104	410,744	1,156,848
Due from other governmental agencies	207,686	278,175	485,861
Inventories	56,394	-	56,394
Other assets	142,225	8,377	150,602
Total current assets	<u>13,673,212</u>	<u>2,073,593</u>	<u>15,746,805</u>
Noncurrent assets:			
Restricted assets			
Cash and interest-bearing deposits	168,275	862,434	1,030,709
Capital assets:			
Land and construction in progress	1,630,549	381,964	2,012,513
Capital assets, net	<u>14,798,362</u>	<u>16,673,375</u>	<u>31,471,737</u>
Total noncurrent assets	<u>16,597,186</u>	<u>17,917,773</u>	<u>34,514,959</u>
Total assets	<u>30,270,398</u>	<u>19,991,366</u>	<u>50,261,764</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plans	2,458,014	240,888	2,698,902
OPEB obligation	<u>27,282</u>	<u>4,264</u>	<u>31,546</u>
Total deferred inflows of resources	<u>2,485,296</u>	<u>245,152</u>	<u>2,730,448</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	445,971	63,968	509,939
Interest payable	7,308	-	7,308
Advance fuel sales	30,811	-	30,811
Internal balances	6,872,202	(6,872,202)	-
Customer deposits payable	-	242,807	242,807
Bonds, notes, and leases due within one year	<u>458,836</u>	<u>204,641</u>	<u>663,477</u>
Total current liabilities	<u>7,815,128</u>	<u>(6,360,786)</u>	<u>1,454,342</u>
Noncurrent liabilities:			
Compensated absences payable	260,761	56,480	317,241
Bonds, notes, and leases due after one year	896,023	2,605,113	3,501,136
OPEB obligation payable	1,114,627	174,160	1,288,787
Net pension liability	<u>5,518,369</u>	<u>656,910</u>	<u>6,175,279</u>
Total noncurrent liabilities	<u>7,789,780</u>	<u>3,492,663</u>	<u>11,282,443</u>
Total liabilities	<u>15,604,908</u>	<u>(2,868,123)</u>	<u>12,736,785</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Plans	296,907	18,122	315,029
OPEB obligation	<u>101,567</u>	<u>15,870</u>	<u>117,437</u>
Total deferred inflows of resources	<u>398,474</u>	<u>33,992</u>	<u>432,466</u>
NET POSITION			
Net investment in capital assets	15,074,052	16,012,997	31,087,049
Restricted for capital projects	553,179	-	553,179
Restricted for sales tax dedications	2,138,489	-	2,138,489
Unrestricted	<u>(1,013,408)</u>	<u>7,057,652</u>	<u>6,044,244</u>
Total net position	<u>\$ 16,752,312</u>	<u>\$ 23,070,649</u>	<u>\$ 39,822,961</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, 2023

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
<b>Governmental activities:</b>							
General government	\$ 1,362,299	\$ 557,391	\$ -	\$ -	\$ (804,908)	\$ -	\$ (804,908)
Public safety	4,064,730	191,416	257,104	-	(3,616,210)	-	(3,616,210)
Public works	1,874,988	-	16,910	-	(1,858,078)	-	(1,858,078)
Economic development	661,115	250,435	30,940	680,271	300,531	-	300,531
Culture and recreation	546,773	58,194	-	320,425	(168,154)	-	(168,154)
Interest on long-term debt	53,539	-	-	-	(53,539)	-	(53,539)
Total governmental activities	<u>8,563,444</u>	<u>1,057,436</u>	<u>304,954</u>	<u>1,000,696</u>	<u>(6,200,358)</u>	<u>-</u>	<u>(6,200,358)</u>
<b>Business-type activities:</b>							
Sewer	1,138,443	1,138,293	-	1,154,294	-	1,154,144	1,154,144
Water	1,499,913	1,851,857	-	95,294	-	447,238	447,238
Fort Polk Vegetation Control	2,509,646	3,223,559	-	-	-	713,913	713,913
Total business-type activities	<u>5,148,002</u>	<u>6,213,709</u>	<u>-</u>	<u>1,249,588</u>	<u>-</u>	<u>2,315,295</u>	<u>2,315,295</u>
<b>Total</b>	<u>\$ 13,711,446</u>	<u>\$ 7,271,145</u>	<u>\$ 304,954</u>	<u>\$ 2,250,284</u>	<u>(6,200,358)</u>	<u>2,315,295</u>	<u>(3,885,063)</u>
<b>General revenues:</b>							
Taxes -							
Ad valorem taxes levied for general maintenance					491,567	-	491,567
Ad valorem taxes levied for street improvements					248,048	-	248,048
Ad valorem taxes levied for sewer system					-	191,741	191,741
Sales and use taxes levied for public works and recreation					4,027,881	-	4,027,881
Sales and use taxes levied for public safety					1,997,987	-	1,997,987
Franchise taxes					533,189	-	533,189
Grants and contributions not restricted to specific programs -							
State sources					18,953	-	18,953
Interest and investment earnings					32,820	3,397	36,217
Nonemployer pension contribution					154,401	21,166	175,567
Miscellaneous					193,734	11,173	204,907
Transfers					950,000	(950,000)	-
Total general revenues and transfers					<u>8,648,580</u>	<u>(722,523)</u>	<u>7,926,057</u>
Change in net position					2,448,222	1,592,772	4,040,994
Net position - beginning					14,304,090	21,477,877	35,781,967
Net position - ending					<u>\$ 16,752,312</u>	<u>\$ 23,070,649</u>	<u>\$ 39,822,961</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**

To account for the provision of installation support services in connection with the Intergovernmental Support Agreement (IGSA) between the United States Army Garrison - Johnson (USAG-Johnson) 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, 2023

	General	Sales Tax	Public Safety	Other Governmental	Total
<b>ASSETS</b>					
Cash and interest-bearing deposits	\$ 1,648,417	\$ 10,867,205	\$ -	\$ 5,181	\$ 12,520,803
Receivables -					
Due from other funds	765,456	-	995,351	576,817	2,337,624
Due from other governmental agencies	5,400	9,209	-	193,077	207,686
Other	155,507	395,700	194,897	-	746,104
Prepaid items	83,054	16,045	43,126	-	142,225
Inventories	56,394	-	-	-	56,394
Restricted cash and interest-bearing deposits	-	-	-	168,275	168,275
Total assets	<u>\$ 2,714,228</u>	<u>\$ 11,288,159</u>	<u>\$ 1,233,374</u>	<u>\$ 943,350</u>	<u>\$ 16,179,111</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 24,022	\$ 10,544	\$ 6,668	\$ -	\$ 41,234
Accrued liabilities	105,472	21,806	52,573	-	179,851
Contracts and retainage payable	-	-	-	224,886	224,886
Due to other funds	956,000	8,248,737	-	5,089	9,209,826
Advance fuel sales	30,811	-	-	-	30,811
Total liabilities	<u>1,116,305</u>	<u>8,281,087</u>	<u>59,241</u>	<u>229,975</u>	<u>9,686,608</u>
Fund balances -					
Nonspendable	139,448	16,045	43,126	-	198,619
Restricted for debt service	-	-	-	92	92
Restricted for capital projects	-	-	-	615,825	615,825
Restricted for sales tax dedications	-	2,138,489	-	-	2,138,489
Committed	-	852,538	1,131,007	-	1,983,545
Unassigned	<u>1,458,475</u>	<u>-</u>	<u>-</u>	<u>97,458</u>	<u>1,555,933</u>
Total fund balances	<u>1,597,923</u>	<u>3,007,072</u>	<u>1,174,133</u>	<u>713,375</u>	<u>6,492,503</u>
Total liabilities and fund balances	<u>\$ 2,714,228</u>	<u>\$ 11,288,159</u>	<u>\$ 1,233,374</u>	<u>\$ 943,350</u>	<u>\$ 16,179,111</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, 2023

Total fund balances for governmental funds at June 30, 2023 \$ 6,492,503

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	1,341,523	
Buildings and improvements, net of \$7,337,274 accumulated depreciation	4,469,747	
Infrastructure, net of \$20,212,998 accumulated depreciation	9,556,966	
Equipment and vehicles, net of \$6,034,456 accumulated depreciation	<u>771,649</u>	16,428,911

Deferred outflows of resources are not available resources, and therefore, are not reported in the funds:

Pension plans	2,458,014	
Other post employment benefits	<u>27,282</u>	2,485,296

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	(260,761)	
Bonds payable	(436,000)	
Certificates of indebtedness	(487,000)	
Capital leases	(431,859)	
Accrued interest payable	(7,308)	
Other post employment benefits	(1,114,627)	
Net pension liability	<u>(5,518,369)</u>	(8,255,924)

Deferred inflows of resources are not payable from current expendable resources, and therefore, are not reported in the funds:

Pension plans	(296,907)	
Other post employment benefits	<u>(101,567)</u>	<u>(398,474)</u>

Total net position of governmental activities at June 30, 2023 \$ 16,752,312

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, 2023

	General	Sales Tax	Public Safety	Other Governmental	Total
Revenues:					
Taxes -					
Ad valorem	\$ 491,567	\$ -	\$ -	\$ 248,048	\$ 739,615
Sales	-	4,027,881	1,997,987	-	6,025,868
Franchise	533,189	-	-	-	533,189
Licenses and permits	557,391	-	-	-	557,391
Intergovernmental	73,987	-	257,104	992,496	1,323,587
Fines and forfeits	-	-	102,421	-	102,421
Charges for services	250,435	58,194	88,995	-	397,624
Miscellaneous	132,754	81,930	10,122	2,764	227,570
Total revenues	<u>2,039,323</u>	<u>4,168,005</u>	<u>2,456,629</u>	<u>1,243,308</u>	<u>9,907,265</u>
Expenditures					
Current					
General government	1,064,757	155,853	5,250	-	1,225,860
Public safety	-	-	3,815,186	-	3,815,186
Public works	1,092,533	-	-	28,059	1,120,592
Economic development	259,967	-	-	-	259,967
Culture and recreation	-	572,096	-	-	572,096
Debt service	161,689	-	101,517	248,048	511,254
Capital outlay	195,599	375,826	490,878	1,143,800	2,206,103
Total expenditures	<u>2,774,545</u>	<u>1,103,775</u>	<u>4,412,831</u>	<u>1,419,907</u>	<u>9,711,058</u>
Excess (deficiency) of revenues over expenditures	<u>(735,222)</u>	<u>3,064,230</u>	<u>(1,956,202)</u>	<u>(176,599)</u>	<u>196,207</u>
Other financing sources (uses):					
Proceeds from notes payable	-	-	104,954	-	104,954
Transfers in	1,183,945	-	2,453,760	81,055	3,718,760
Transfers out	(65,000)	(2,703,760)	-	-	(2,768,760)
Total other financing sources (uses)	<u>1,118,945</u>	<u>(2,703,760)</u>	<u>2,558,714</u>	<u>81,055</u>	<u>1,054,954</u>
Net changes in fund balances	383,723	360,470	602,512	(95,544)	1,251,161
Fund balances, beginning	<u>1,214,200</u>	<u>2,646,602</u>	<u>571,621</u>	<u>808,919</u>	<u>5,241,342</u>
Fund balances, ending	<u>\$ 1,597,923</u>	<u>\$ 3,007,072</u>	<u>\$ 1,174,133</u>	<u>\$ 713,375</u>	<u>\$ 6,492,503</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, 2023

Total net changes in fund balances for the year ended June 30, 2023 per the  
statement of revenues, expenditures and changes in fund balances \$ 1,251,161

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	\$ 1,704,042	
Depreciation expense for the year ended June 30, 2023	<u>(932,000)</u>	772,042

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		350,982
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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	56,914	
Accrued interest	1,779	
OPEB obligation	34,399	
Net pension liability	<u>(19,055)</u>	<u>74,037</u>

Total changes in net position for the year ended June 30, 2023 per the  
statement of activities \$ 2,448,222

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

CITY OF LEESVILLE LOUISIANA

Statement of Net Position - Proprietary Funds  
June 30, 2023

	Business -Type Activities - Enterprise Funds			
	Sewer	Water	Fort Polk Vegetation Control	Total
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$ 228,512	\$ 1,147,785	\$ -	\$ 1,376,297
Receivables:				
Accounts, net	163,126	247,618	-	410,744
Due from other funds	4,367,797	1,286,775	1,354,880	7,009,452
Due from other governmental agencies	-	-	278,175	278,175
Prepaid items	3,665	3,665	1,047	8,377
Total current assets	<u>4,763,100</u>	<u>2,685,843</u>	<u>1,634,102</u>	<u>9,083,045</u>
Noncurrent assets				
Restricted assets -				
Cash and interest-bearing deposits	-	862,434	-	862,434
Land and construction in progress	287,082	94,882	-	381,964
Capital assets, net of accumulated depreciation	8,296,803	7,879,694	496,878	16,673,375
Total noncurrent assets	<u>8,583,885</u>	<u>8,837,010</u>	<u>496,878</u>	<u>17,917,773</u>
Total assets	<u>13,346,985</u>	<u>11,522,853</u>	<u>2,130,980</u>	<u>27,000,818</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plans	110,917	65,997	63,974	240,888
OPEB obligation	2,558	853	853	4,264
Total deferred inflows of resources	<u>113,475</u>	<u>66,850</u>	<u>64,827</u>	<u>245,152</u>
<b>LIABILITIES</b>				
Current liabilities (payable from current assets):				
Accounts and other payables	9,875	21,444	32,649	63,968
Due to other funds	25,346	111,904	-	137,250
Note payable	-	-	15,641	15,641
Total	<u>35,221</u>	<u>133,348</u>	<u>48,290</u>	<u>216,859</u>
Current liabilities (payable from restricted assets):				
Customer deposits payable	-	242,807	-	242,807
Revenue bonds	-	189,000	-	189,000
Total	<u>-</u>	<u>431,807</u>	<u>-</u>	<u>431,807</u>
Total current liabilities	<u>35,221</u>	<u>565,155</u>	<u>48,290</u>	<u>648,666</u>
Noncurrent liabilities:				
Compensated absences payable	36,579	16,076	3,825	56,480
OPEB obligation payable	104,496	34,832	34,832	174,160
Net pension liability	338,374	274,395	44,141	656,910
Revenue bonds payable	-	2,567,000	-	2,567,000
Notes payable	-	35,449	2,664	38,113
Total noncurrent liabilities	<u>479,449</u>	<u>2,927,752</u>	<u>85,462</u>	<u>3,492,663</u>
Total liabilities	<u>514,670</u>	<u>3,492,907</u>	<u>133,752</u>	<u>4,141,329</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plans	8,547	5,336	4,239	18,122
OPEB obligation	9,522	3,174	3,174	15,870
Total deferred inflows of resources	<u>18,069</u>	<u>8,510</u>	<u>7,413</u>	<u>33,992</u>
<b>NET POSITION</b>				
Net investment in capital assets	8,563,885	6,950,539	478,573	16,012,997
Unrestricted	4,343,836	1,137,747	1,576,069	7,057,652
Total net position	<u>\$12,927,721</u>	<u>\$ 8,088,286</u>	<u>\$ 2,054,642</u>	<u>\$ 23,070,649</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, 2023

	Business -Type Activities - Enterprise Funds			
	Sewer	Water	Fort Polk Vegetation Control	Total
Operating revenues:				
Charges for services	\$ 1,138,293	\$ 1,851,857	\$ 3,223,559	\$ 6,213,709
Miscellaneous	-	-	2,972	2,972
Total operating revenues	<u>1,138,293</u>	<u>1,851,857</u>	<u>3,226,531</u>	<u>6,216,681</u>
Operating expenses				
Salaries	281,098	249,612	178,243	708,953
Employee benefits	19,751	29,350	15,869	64,970
OPEB expense (benefit)	(3,226)	(1,076)	(1,076)	(5,378)
Pension expense	42,780	25,370	24,609	92,759
Operating supplies	85,290	251,212	422,598	759,100
Vehicle expense	13,200	52,901	108,960	175,061
Utilities and communications	137,778	214,587	1,491	353,856
Insurance	67,572	68,548	30,876	166,996
Legal and other professional	15,700	16,670	13,799	46,169
Repairs and maintenance	32,078	79,968	57,205	169,251
Contracted services	-	-	1,307,459	1,307,459
Bad debt	14,744	9,582	-	24,326
Miscellaneous	49,354	1,103	-	50,457
Depreciation	382,324	404,388	166,898	953,610
Total operating expenses	<u>1,138,443</u>	<u>1,402,215</u>	<u>2,326,931</u>	<u>4,867,589</u>
Operating income (loss)	<u>(150)</u>	<u>449,642</u>	<u>899,600</u>	<u>1,349,092</u>
Nonoperating revenues (expenses):				
Interest income	2,506	891	-	3,397
Ad valorem taxes	191,741	-	-	191,741
Nonemployer pension contribution	9,797	5,882	5,487	21,166
Gain (loss) on disposal of assets	-	8,201	(178,337)	(170,136)
Interest expense	-	(97,698)	(4,378)	(102,076)
Total nonoperating revenues (expenses)	<u>204,044</u>	<u>(82,724)</u>	<u>(177,228)</u>	<u>(55,908)</u>
Income before contributions and transfers	203,894	366,918	722,372	1,293,184
Capital Contributions	1,154,294	95,294	-	1,249,588
Transfers out	-	(400,000)	(550,000)	(950,000)
Change in net position	1,358,188	62,212	172,372	1,592,772
Net position, beginning	<u>11,569,533</u>	<u>8,026,074</u>	<u>1,882,270</u>	<u>21,477,877</u>
Net position, ending	<u>\$ 12,927,721</u>	<u>\$ 8,088,286</u>	<u>\$ 2,054,642</u>	<u>\$ 23,070,649</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, 2023

	Business-Type Activities - Enterprise Funds			Total
	Sewer	Water	Fort Polk Vegetation Control	
Cash flows from operating activities:				
Receipts from customers	\$ 1,141,729	\$ 1,857,792	\$ 3,473,099	\$ 2,999,521
Payments to suppliers	(413,388)	(686,075)	(1,958,856)	(1,099,463)
Payments to employees	(311,108)	(214,083)	(336,019)	(525,191)
Other receipts	-	-	2,972	-
Net cash provided by operating activities	<u>417,233</u>	<u>957,634</u>	<u>1,181,196</u>	<u>1,374,867</u>
Cash flows from noncapital financing activities:				
Net decrease in customer meter deposits	-	(2,815)	-	(2,815)
Transfers to other funds	<u>(1,603,617)</u>	<u>(243,223)</u>	<u>(793,244)</u>	<u>(1,846,840)</u>
Net cash used by noncapital financing activities	<u>(1,603,617)</u>	<u>(246,038)</u>	<u>(793,244)</u>	<u>(1,849,655)</u>
Cash flows from capital and related financing activities:				
Principal paid on bonds and notes payable	-	(322,000)	(177,514)	(322,000)
Interest and fiscal charges paid on revenue bonds	-	(100,463)	(4,378)	(100,463)
Proceeds from ad valorem taxes	191,741	-	-	191,741
Proceeds from grants	1,166,321	112,217	-	1,278,538
Insurance proceeds	-	8,201	-	8,201
Acquisition of property, plant and equipment, net	<u>(174,184)</u>	<u>(300,004)</u>	<u>(206,060)</u>	<u>(474,188)</u>
Net cash provided (used) by capital and related financing activities	<u>1,183,878</u>	<u>(602,049)</u>	<u>(387,952)</u>	<u>581,829</u>
Cash flows from investing activities:				
Interest earned	<u>2,506</u>	<u>891</u>	<u>-</u>	<u>3,397</u>
Net increase in cash and cash equivalents	-	110,438	-	110,438
Cash and cash equivalents, beginning of period	<u>228,512</u>	<u>1,899,781</u>	<u>-</u>	<u>2,128,293</u>
Cash and cash equivalents, end of period	<u>\$ 228,512</u>	<u>\$ 2,010,219</u>	<u>\$ -</u>	<u>\$ 2,238,731</u>

(continued)

CITY OF LEESVILLE, LOUISIANA

Statement of Cash Flows  
 Proprietary Funds (Continued)  
 For the Year Ended June 30, 2023

	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)	\$ (150)	\$ 449,642	\$ 899,600	\$ 449,492
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	382,324	404,388	166,898	786,712
Pension expense	32,925	88,792	(120,343)	121,717
OPEB expense	(3,226)	(1,076)	(1,076)	(4,302)
Changes in current assets and liabilities:				
Decrease in accounts receivable	3,436	5,935	249,540	9,371
Increase in prepaid items	(645)	(645)	(454)	(1,290)
Increase (decrease) in accounts payable	784	11,151	(14,201)	11,935
Increased (decrease) in compensated absences payable	1,785	(553)	1,232	1,232
Net cash provided by operating activities	<u>\$ 417,233</u>	<u>\$ 957,634</u>	<u>\$1,181,196</u>	<u>\$1,374,867</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	\$ 228,512	\$ -	\$ -	\$ 228,512
Cash and interest-bearing deposits - restricted	-	1,899,781	-	1,899,781
Total cash and cash equivalents, beginning of period	<u>228,512</u>	<u>1,899,781</u>	<u>-</u>	<u>2,128,293</u>
Cash and cash equivalents, end of period -				
Cash and interest-bearing deposits - unrestricted	\$ 228,512	\$1,147,785	\$ -	\$1,376,297
Cash and interest-bearing deposits - restricted	-	862,434	-	862,434
Total cash and cash equivalents, end of period	<u>228,512</u>	<u>2,010,219</u>	<u>-</u>	<u>2,238,731</u>
Net increase	<u>\$ -</u>	<u>\$ 110,438</u>	<u>\$ -</u>	<u>\$ 110,438</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 5,501.

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. Fiduciary funds are omitted from the government-wide financial statements. The City has no fiduciary funds.

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 \$832,807 at June 30, 2023. 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, 2023 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 purpose, 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 two items that qualify for reporting in this category, the deferred outflow of resources attributable to its pension plans and the deferred outflow of resources attributable to its total OPEB liability.

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, 2023, the City reported \$2,691,668 of restricted net position, \$2,138,489 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 expenses 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 the 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. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting 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, 2023, taxes of 17.85 mills were levied on property with assessed valuations totaling \$52,128,910 and were dedicated as follows.

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

Total taxes levied were \$930,520. Taxes receivable at June 30, 2023 totaled \$17,880.

(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 (2023 collections \$4,027,881) 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 (2023 collections \$1,997,987) 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, 2023, the City had cash and interest-bearing deposits (book balances) totaling \$14,927,809 as follows

Demand deposits	\$ 971,045
Money market accounts	12,351,955
Time deposits	<u>1,604,809</u>
Total	<u>\$ 14,927,809</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, 2023, are secured as follows:

Bank balances	<u>\$ 15,487,484</u>
Federal deposit insurance	\$ 525,034
Pledged securities	<u>14,962,450</u>
Total	<u>\$ 15,487,484</u>

Deposits in the amount of \$14,962,450 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, 2023 of \$1,156,848 consist of the following:

	Governmental Activities	Business-Type Activities	Total
Accounts, net	\$ -	\$ 236,966	\$ 236,966
Unbilled utility	-	173,778	173,778
Ad valorem tax	17,880	-	17,880
Sales tax	590,597	-	590,597
Franchise tax	96,440	-	96,440
Other	41,187	-	41,187
Totals	<u>\$ 746,104</u>	<u>\$ 410,744</u>	<u>\$ 1,156,848</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units of \$485,861 at June 30, 2023 consist of the following.

Governmental activities:

State of Louisiana - beer tax revenues receivable	\$ 5,400
State of Louisiana Secretary of State - Miscellaneous State Aid	9,209
State of Louisiana Division of Administration - Facility Planning and Control - Street Rehabilitation grant	4,247
State of Louisiana - Louisiana Department of Transportation and Development - Airport Improvement grants	18,883
Federal Aviation Administration - Airport Improvement Program grant	169,947

Business-type activities:

United States Army Garrison - Johnson	278,175
Total	<u>\$ 485,861</u>

(7) Restricted Assets

Restricted assets consist of the following at June 30, 2023:

Governmental activities:

Construction	\$ 168,275
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Business-type activities:

Customer deposits	242,807
Revenue bond reserve and sinking funds	619,627
Total restricted assets	<u>\$ 1,030,709</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 289,026	\$ -	\$ -	\$ 289,026
Construction in progress	96,438	1,245,085	-	1,341,523
Other capital assets:				
Buildings and improvements	11,807,021	-	-	11,807,021
Equipment and vehicles	6,452,592	353,513	-	6,806,105
Infrastructure	29,664,520	105,444	-	29,769,964
Totals	<u>48,309,597</u>	<u>1,704,042</u>	<u>-</u>	<u>50,013,639</u>
Less accumulated depreciation				
Buildings and improvements	7,061,734	275,540	-	7,337,274
Equipment and vehicles	5,829,386	205,070	-	6,034,456
Infrastructure	19,761,608	451,390	-	20,212,998
Total accumulated depreciation	<u>32,652,728</u>	<u>932,000</u>	<u>-</u>	<u>33,584,728</u>
Governmental activities, capital assets, net	<u>\$15,656,869</u>	<u>\$ 772,042</u>	<u>\$ -</u>	<u>\$16,428,911</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 157,249	\$ -	\$ -	\$ 157,249
Construction in progress	734,349	218,215	727,849	224,715
Other capital assets:				
Plant and system	33,002,503	954,152	-	33,956,655
Equipment and vehicles	1,481,060	235,729	414,370	1,302,419
Totals	<u>35,375,161</u>	<u>1,408,096</u>	<u>1,142,219</u>	<u>35,641,038</u>
Less accumulated depreciation				
Plant and system	17,153,658	753,036	-	17,906,694
Equipment and vehicles	714,465	200,574	236,034	679,005
Total accumulated depreciation	<u>17,868,123</u>	<u>953,610</u>	<u>236,034</u>	<u>18,585,699</u>
Business-type activities, capital assets, net	<u>\$17,507,038</u>	<u>\$ 454,486</u>	<u>\$ 906,185</u>	<u>\$17,055,339</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows.

General government	\$ 19,216
Public safety	121,891
Public works	284,972
Economic development	394,496
Culture and recreation	<u>111,425</u>
Total depreciation expense	<u>\$ 932,000</u>

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

Sewer	\$ 382,324
Water	404,388
Fort Polk Vegetation Control	<u>166,898</u>
Total depreciation expense	<u>\$ 953,610</u>

(9) Accounts and Other Payables

The accounts and other payables of \$509,939 at June 30, 2023 consist of the following.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts payable	\$ 37,355	\$ 44,510	\$ 81,865
Salaries payable	100,689	19,458	120,147
Payroll tax and employee benefits payable	83,041	-	83,041
Contracts and retainage payable	<u>224,886</u>	<u>-</u>	<u>224,886</u>
Totals	<u>\$ 445,971</u>	<u>\$ 63,968</u>	<u>\$ 509,939</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, 2022, with the principal due on July 3, 2023. The City did not utilize this line of credit during the year. There was no balance due at June 30, 2023.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Long-Term Liabilities

The following is a summary of long-term liability transactions of the City for the year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount due in one year</u>
Long-term debt:					
Direct placements:					
Revenue bonds	\$ 3,577,000	\$ -	\$ 385,000	\$ 3,192,000	\$ 255,000
Certificates of indebtedness	720,000	-	233,000	487,000	240,000
Notes payable	718,109	104,954	337,450	485,613	168,477
Other liabilities:					
Compensated absences	371,691	-	54,450	317,241	-
	<u>\$ 5,386,800</u>	<u>\$ 104,954</u>	<u>\$ 1,009,900</u>	<u>\$ 4,481,854</u>	<u>\$ 663,477</u>

Revenue bonds are associated with both the governmental and business-type activities. Compensated absences are generally liquidated by the General, Special Revenue, and Enterprise Funds. The revenue bonds are liquidated by the General Fund and the Water fund.

Long-term liabilities payable at June 30, 2023 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 \$ 487,000

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. 436,000

continued

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Notes payable.

\$644,583 purchase agreement dated May 9, 2008 due in annual installments of \$54,979, including interest at 4.98 percent, through April 25, 2028, secured by fire equipment	193,290
\$63,831 purchase agreement dated September 17, 2018 due in monthly installments of \$1,183, including interest at 4.275 percent, through September 17, 2023, secured by public works equipment with a book value of \$6,383	2,354
\$66,606 purchase agreement dated July 15, 2021 due in annual installments of \$23,289, including interest at 3.43 percent, through December 15, 2023, secured by public works equipment with a book value of \$13,321	22,527
\$136,000 purchase agreement dated December 15, 2020 due in monthly installments of \$2,601, including interest at 2.59 percent, through January 15, 2025, secured by public works equipment with a book value of \$13,600	67,036
\$105,469 purchase agreement dated July 19, 2021 due in monthly installments of \$2,426, including interest at 3.95 percent, through July 20, 2025, secured by police vehicles with a book value of \$21,094	55,897
\$104,954 purchase agreement dated December 1, 2022 due in monthly installments of \$2,489, including interest at 5.50 percent, through December 5, 2026, secured by police vehicles with a book value of \$16,533	<u>90,755</u>
Total bonds and notes payable applicable to governmental activities	<u>\$ 1,354,859</u>

Business-type activities

Revenue bonds:

\$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.	\$ 2,756,000
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continued



CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Notes payable:

Louisiana Department of Transportation and Development utility relocation assistance funding agreement note payable. See Note 12 for details.	35,449
\$73,133 purchase agreement dated September 16, 2019 due in monthly installments of \$1,338, including interest at 3.74 percent, through September 16, 2024, secured by equipment with a book value of \$4,876	<u>18,305</u>
Total bonds and notes payable applicable to business-type activities	<u>\$ 2,809,754</u>

Annual debt service requirements to maturity of bonds outstanding are as follows:

Year ending June 30.	Governmental Activities		Business-Type Activities		Total	
	Principal payments	Interest payments	Principal payments	Interest payments	Principal payments	Interest payments
2024	\$ 306,000	\$ 26,298	\$ 189,000	\$ 68,499	\$ 495,000	\$ 94,797
2025	315,000	16,279	190,000	63,278	505,000	79,557
2026	71,000	10,660	196,000	57,879	267,000	68,539
2027	74,000	7,760	203,000	52,274	277,000	60,034
2028	77,000	4,740	210,000	46,492	287,000	51,232
2029 - 2033	80,000	1,600	1,163,000	138,415	1,243,000	140,015
2034 - 2036	-	-	605,000	20,148	605,000	20,148
Total	<u>\$ 923,000</u>	<u>\$ 67,337</u>	<u>\$ 2,756,000</u>	<u>\$ 446,985</u>	<u>\$ 3,679,000</u>	<u>\$ 514,322</u>

Annual debt service requirements to maturity of notes outstanding are as follows:

Year ending June 30.	Governmental Activities		Business-Type Activities		Total	
	Principal payments	Interest payments	Principal payments	Interest payments	Principal payments	Interest payments
2024	\$ 152,836	\$ 18,066	\$ 15,641	\$ 418	\$ 168,477	\$ 18,484
2025	140,184	11,483	38,113	13	178,297	11,496
2026	78,354	6,492	-	-	78,354	6,492
2027	60,485	2,723	-	-	60,485	2,723
Total	<u>\$ 431,859</u>	<u>\$ 38,764</u>	<u>\$ 53,754</u>	<u>\$ 431</u>	<u>\$ 485,613</u>	<u>\$ 39,195</u>

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Louisiana DOTD Note 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, 2023, 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 and invoiced to the City by the Louisiana Department of Transportation and Development. At June 30, 2023, the balance remaining on this note totaled \$35,449.

(13) Flow of Funds; Restrictions on Use

Business-type activities:

Water Fund –

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 20<sup>th</sup> day of each month commencing in August 2013 a sum equal to 1.6<sup>th</sup> of the next interest payment due and 1 12<sup>th</sup> of the next principal due.

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 20<sup>th</sup> 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 20<sup>th</sup> 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, 2023, the monthly sinking, reserve, and depreciation and contingency fund transfers were made as required by the agreement.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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, 2023, 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, 2023, the monthly sinking fund transfers were made as required by the agreement.

(14) 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 \$365.86 for single coverage and \$757.57 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.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Employees Covered by Benefit Terms. At July 1, 2021 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 \$1,288,787 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022.

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, 2022, actuarial valuation individual entry age normal cost method – level percentage of projected salary was used. The discount rate used was 3.54% 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-2021.

Changes in the Total OPEB Liability

The following presents changes in the total OPEB liability.

Balance as of June 30, 2022	\$ 1,305,132
Changes for the year:	
Service cost	46,488
Interest cost	45,922
Benefit payments	<u>(108,755)</u>
Net change in total OPEB liability	<u>(16,345)</u>
Balance as of June 30, 2023	<u>\$ 1,288,787</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 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	\$ 1,371,427	\$ 1,288,787	\$ 1,208,927

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 3.50%	Current Trend Rate 4.50%	1% Increase 5.50%
Total OPEB Liability	\$ 1,169,094	\$ 1,288,787	\$ 1,427,887

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

For the year ended June 30, 2023, the City recognized a net OPEB benefit of \$39,777. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,574	\$ 41,160
Changes of assumptions	<u>2,972</u>	<u>76,277</u>
Total	<u>\$ 31,546</u>	<u>\$ 117,437</u>

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

Year Ended June 30	Net Amount Recognized in Pension Expense
2024	\$ (23,432)
2025	(23,432)
2026	(23,321)
2027	<u>(15,706)</u>
	<u>\$ (85,891)</u>

(15) 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:

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

**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.

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 <sup>2</sup>	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 <sup>1</sup>	25 years any age 20 years age 55 12 years age 55 20 years any age <sup>1</sup> 30 years any age <sup>3</sup> 25 years age 55 <sup>3</sup> 10 years age 60 <sup>3</sup>	25 years any age 20 years age 50 12 years age 55
Benefit percent per years of service	3.00%	2.5% - 3.33% <sup>4</sup>	3.33%

<sup>1</sup> With actuarial reduced benefits

<sup>2</sup> Membership commencing January 1, 2013

<sup>3</sup> Under non hazardous duty sub plan commencing January 1, 2013

<sup>4</sup> 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 by 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, 2023 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%	15.50%	\$ 59,002	\$ 254,735
MPERS	10.00%	31.25%	71,068	328,059
FRS	10.00%	33.25%	45,497	159,831

**Net Pension Liability**

The City's net pension liability at June 30, 2023 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, 2022 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	\$ 1,782,649	2.030390%	0.147255%
MPERS	3,265,622	0.319477%	0.054352%
FRS	1,127,008	0.159830%	0.015863%
Total	<u>\$ 6,175,279</u>		

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Since the measurement date of the net pension liability was June 30, 2022, 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:

	MERS	MPERS	FRS
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019	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	6.85%	6.750%	6.90%
Projected salary increases	4.9%-7.4%	4.70%-12.30%	5.20%-14.10%
Projected benefit changes including COLAs	None	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5)	(5), (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) Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.
- (5) Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using MP2019 scales.
- (6) Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.



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	6.85%	6.75%	6.90%
Change in discount rate from prior valuation	0.00%	0.00%	0.00%
Plan cash flow assumptions	(1)	(1)	(1)
Rates incorporated in the Discount Rate:			
Long-term Rate of Return	6.85%	6.75%	6.90%
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	38%	1.65%	30.5%	0.85%	26%	1.44%
Equities	53%	2.31%	55.5%	3.60%	56%	6.31%
Alternative Investments	9%	0.39%	14%	0.95%	18%	6.15%
Other	-	-	-	-	-	-
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, 2023, the City Jury recognized \$892,846 in pension expense (benefit) related to all defined benefit plans in which it participates. MERS, MPERS, and FRS recognized revenues in the amount of \$175,567 in ad valorem taxes and insurance premium tax monies collected from nonemployer contributing entities.

At June 30, 2023, 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	\$ 22,842	\$ 102,419
Changes of assumptions	224,639	24,290
Net difference between projected and actual earnings on pension plan investments	1,166,158	-
Change in proportion and differences between employer contributions and proportionate share of contributions	542,638	188,320
Employer contributions subsequent to the measurement date	<u>742,625</u>	<u>-</u>
Total	<u>\$ 2,698,902</u>	<u>\$ 315,029</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred outflows of resources of \$742,625 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, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended June 30	Net Amount Recognized in Pension Expense
2024	\$ 368,115
2025	392,489
2026	229,200
2027	623,172
2028	20,016
Thereafter	<u>8,256</u>
	<u>\$ 1,641,248</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	6.85%	\$ 2,430,088	\$ 1,782,649	\$ 1,235,067
MPERS	6.75%	4,571,246	3,265,622	2,174,994
FRS	6.90%	<u>1,667,283</u>	<u>1,127,008</u>	<u>676,380</u>
Total		<u>\$ 8,668,617</u>	<u>\$ 6,175,279</u>	<u>\$ 4,086,441</u>

**Payables to Pension Plans**

At June 30, 2023, 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)

(16) Employee Retirement – Deferred Compensation Plan

The City offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan administered by the Louisiana Deferred Compensation Commission. The plan, regulated under the provisions of Title 32, Part VII of the Louisiana Administrative Code, is a defined contribution plan established in accordance with the Internal Revenue Code Section 457. The plan is a retirement savings plan allowing eligible employees to supplement any existing retirement and pension benefits by saving and investing pre-tax and/or after-tax dollars through a voluntary salary contribution.

Contributions to Section 457 plans are determined by the U.S. Department of the Treasury's Internal Revenue Service. In 2023, participants in the plan may contribute up to 100% of earnable compensation or \$22,500, whichever is less. Participants in the plan have two different options to catch-up and contribute more when nearing retirement. In the three calendar years prior to normal retirement age, the special catch-up allows participants to contribute up to \$45,000 in 2023. Also, participants who were age 50 or older by the end of the calendar year are eligible to make additional catch-up contributions of up to \$7,500.

The City has opted to match participating employees' elective deferrals up to 3%. For the year ended June 30, 2023, the City contributed \$11,869 to the plan. No amounts were payable to the plan at June 30, 2023.

Participant and on-behalf City contributions to the plan may be invested in a variety of investment options broadly diversified with distinct risk and return characteristics. Self-directed brokerage and managed account options are available. Contributions and investment earnings are always 100% vested.

The plan has issued a standalone audit of their financial statements. Access to the report can be located on the website of the Louisiana Legislative Auditor, [www.la.gov](http://www.la.gov), or the Louisiana Public Employees Deferred Compensation Plan, Louisiana DCP.com.

(17) Litigation and Claims

At June 30, 2023, 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.

(18) 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.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(19) On-Behalf Payment of Salaries

The State of Louisiana paid the City's policemen and firemen \$229,562 of supplemental pay during the year ended June 30, 2023. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and Public Safety Special Revenue Fund financial statements.

(20) 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, 2023 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 13,000
Car expenses	3,772
Per diem	3,760
Conference travel	5,013
	<u>\$ 25,545</u>

(21) Compensation of City Officials

A detail of compensation paid to the Mayor and Council Members for the year ended June 30, 2023 follows:

Rick Allen, Mayor	\$ 13,000
Council Members:	
Willie Mae Kennedy	8,500
Nicole Ybarra	8,500
Christopher Robertson	8,500
Delain Prewitt	8,500
Phillip Hunt	8,500
Alice F. Guess	8,500
Total	<u>\$ 64,000</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(22) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at June 30, 2023:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 765,456	\$ 956,000
Sales Tax Fund	-	8,248,737
Public Safety Fund	995,351	-
Non major governmental funds:		
Main Street Program	97,458	-
2002 Certificates of Indebtedness	-	5,089
Airport Construction	50,616	-
Improvements Capital Projects	428,743	-
Total governmental funds	<u>2,337,624</u>	<u>9,209,826</u>
Proprietary funds:		
Sewer Fund	4,367,797	25,346
Water Fund	1,286,775	111,904
Fort Polk Vegetation Control	1,354,880	-
Total proprietary funds	<u>7,009,452</u>	<u>137,250</u>
Total	<u>\$ 9,347,076</u>	<u>\$ 9,347,076</u>

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

B. Transfers consisted of the following at June 30, 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 1,183,945	\$ 65,000
Sales Tax Fund	-	2,703,760
Public Safety Fund	2,453,760	-
Non major governmental funds:		
Mainstreet Program Fund	45,000	-
Airport Construction	36,055	-
Total governmental funds	<u>3,718,760</u>	<u>2,768,760</u>
Proprietary funds:		
Water Fund	-	400,000
Fort Polk Vegetation Control	-	550,000
Total proprietary funds	<u>-</u>	<u>950,000</u>
Total	<u>\$ 3,718,760</u>	<u>\$ 3,718,760</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.

**REQUIRED SUPPLEMENTARY  
INFORMATION**



CITY OF LEESVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$1,087,428	\$1,029,404	\$1,024,756	\$ (4,648)
Licenses and permits	551,500	525,628	557,391	31,763
Intergovernmental	79,910	53,977	73,987	20,010
Charges for services	192,700	250,030	250,435	405
Miscellaneous	104,900	120,406	132,754	12,348
Total revenues	<u>2,016,438</u>	<u>1,979,445</u>	<u>2,039,323</u>	<u>59,878</u>
Expenditures:				
Current:				
General government:				
General and administrative	929,740	1,017,196	928,499	88,697
Executive	83,120	96,123	96,634	(511)
Legal	44,302	40,302	39,624	678
Public works	1,141,646	1,167,602	1,092,533	75,069
Economic development	270,830	255,198	259,967	(4,769)
Debt service	-	165,000	161,689	3,311
Capital outlay	640,172	412,400	195,599	216,801
Total expenditures	<u>3,109,810</u>	<u>3,153,821</u>	<u>2,774,545</u>	<u>379,276</u>
Deficiency of revenues over expenditures	<u>(1,093,372)</u>	<u>(1,174,376)</u>	<u>(735,222)</u>	<u>439,154</u>
Other financing sources (uses):				
Transfers in	1,200,000	1,220,000	1,183,945	(36,055)
Transfers out	(5,000)	(65,000)	(65,000)	-
Total other financing sources (uses)	<u>1,195,000</u>	<u>1,155,000</u>	<u>1,118,945</u>	<u>(36,055)</u>
Net change in fund balance	101,628	(19,376)	383,723	403,099
Fund balance, beginning	<u>1,214,200</u>	<u>1,214,200</u>	<u>1,214,200</u>	<u>-</u>
Fund balance, ending	<u>\$1,315,828</u>	<u>\$1,194,824</u>	<u>\$1,597,923</u>	<u>\$ 403,099</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, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
Taxes	\$ 3,800,000	\$ 3,920,000	\$ 4,027,881	\$ 107,881
Charges for services	7,600	24,146	58,194	34,048
Miscellaneous	<u>57,300</u>	<u>75,027</u>	<u>81,930</u>	<u>6,903</u>
Total revenues	<u>3,864,900</u>	<u>4,019,173</u>	<u>4,168,005</u>	<u>148,832</u>
<b>Expenditures:</b>				
Current:				
General government	160,583	156,827	155,853	974
Culture and recreation	586,527	596,677	572,096	24,581
Debt service	-	7,700	-	7,700
Capital outlay	<u>123,900</u>	<u>412,400</u>	<u>375,826</u>	<u>36,574</u>
Total expenditures	<u>871,010</u>	<u>1,173,604</u>	<u>1,103,775</u>	<u>69,829</u>
Excess of revenues over expenditures	2,993,890	2,845,569	3,064,230	218,661
<b>Other financing uses:</b>				
Transfers out	<u>(2,400,000)</u>	<u>(2,700,000)</u>	<u>(2,703,760)</u>	<u>(3,760)</u>
Net change in fund balance	593,890	145,569	360,470	214,901
Fund balance, beginning	<u>2,646,602</u>	<u>2,646,602</u>	<u>2,646,602</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,240,492</u>	<u>\$ 2,792,171</u>	<u>\$ 3,007,072</u>	<u>\$ 214,901</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, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
Taxes	\$ 1,900,000	\$ 1,959,000	\$ 1,997,987	\$ 38,987
Intergovernmental	23,229	195,788	257,104	61,316
Charges for services	57,750	86,280	88,995	2,715
Fines and forfeitures	75,000	95,000	102,421	7,421
Miscellaneous	9,700	8,185	10,122	1,937
Total revenues	<u>2,065,679</u>	<u>2,344,253</u>	<u>2,456,629</u>	<u>112,376</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	5,000	7,831	5,250	2,581
Public Safety:				
Police	2,786,384	2,937,099	2,601,328	335,771
Fire	1,142,973	1,163,004	1,100,160	62,844
City Court	105,010	118,010	113,698	4,312
Debt service	-	83,000	101,517	(18,517)
Capital outlay	543,118	460,000	490,878	(30,878)
Total expenditures	<u>4,582,485</u>	<u>4,768,944</u>	<u>4,412,831</u>	<u>356,113</u>
Deficiency of revenues over expenditures	<u>(2,516,806)</u>	<u>(2,424,691)</u>	<u>(1,956,202)</u>	<u>468,489</u>
<b>Other financing sources:</b>				
Proceeds from notes payable	-	-	104,954	104,954
Transfers in	2,125,000	2,450,000	2,453,760	3,760
Total other financing sources	<u>2,125,000</u>	<u>2,450,000</u>	<u>2,558,714</u>	<u>108,714</u>
Net change in fund balance	(391,806)	25,309	602,512	577,203
Fund balance, beginning	<u>571,621</u>	<u>571,621</u>	<u>571,621</u>	<u>-</u>
Fund balance, ending	<u>\$ 179,815</u>	<u>\$ 596,930</u>	<u>\$ 1,174,133</u>	<u>\$ 577,203</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, 2023

	2023	2022	2021	2020	2019	2018
Service cost	\$ 46,488	\$ 56,087	\$ 56,087	\$ 64,490	\$ 64,490	\$ 62,081
Interest cost	45,922	30,267	32,775	56,931	53,351	54,390
Experience (gain)/loss	-	43,732	(75,570)	-	-	-
Assumption changes	-	(115,761)	5,471	(1,646)	-	-
Benefit payments	<u>(108,755)</u>	<u>(108,755)</u>	<u>(92,292)</u>	<u>(98,962)</u>	<u>(81,165)</u>	<u>(81,165)</u>
Net change in total OPEB liability	(16,345)	(94,430)	(73,529)	20,813	36,676	35,306
Total OPEB liability - beginning	<u>1,305,132</u>	<u>1,399,562</u>	<u>1,473,091</u>	<u>1,452,278</u>	<u>1,415,602</u>	<u>1,380,296</u>
Total OPEB liability - ending	<u>\$1,288,787</u>	<u>\$1,305,132</u>	<u>\$1,399,562</u>	<u>\$1,473,091</u>	<u>\$1,452,278</u>	<u>\$1,415,602</u>
Net OPEB liability	\$1,288,787	\$1,305,132	\$1,399,562	\$1,473,091	\$1,452,278	\$1,415,602
Covered-employee payroll	\$1,349,252	\$1,349,252	\$1,622,579	\$1,622,579	\$1,744,817	\$1,744,817
Total OPEB liability as a percentage of covered-employee payroll	95.52%	96.73%	86.26%	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, 2023 \*

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
<b>Municipal Employees' Retirement System of Louisiana - Plan B:</b>					
2023	2.030390%	\$ 1,782,649	\$ 1,697,752	105.0%	69.56%
2022	1.883135%	1,090,916	1,446,235	75.4%	79.14%
2021	1.987695%	1,801,301	1,500,808	120.0%	66.26%
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%
<b>Municipal Police Employees' Retirement System of Louisiana:</b>					
2023	0.319477%	\$ 3,265,622	\$ 988,399	330.4%	70.80%
2022	0.265125%	1,413,261	794,687	177.8%	84.09%
2021	0.278825%	2,576,993	848,847	303.6%	70.94%
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%
<b>Firefighters' Retirement System of Louisiana:</b>					
2023	0.159830%	\$ 1,127,008	\$ 402,525	280.0%	74.68%
2022	0.143967%	510,198	361,111	141.3%	86.78%
2021	0.139606%	967,686	347,563	278.4%	72.61%
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, 2023

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
<b>Municipal Employees' Retirement System of Louisiana - Plan B:</b>					
2023	\$ 254,735	\$ 254,735	\$ -	\$ 1,643,449	15.50%
2022	263,152	263,152	-	1,697,752	15.50%
2021	224,166	224,166	-	1,446,235	15.50%
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%
<b>Municipal Police Employees' Retirement System of Louisiana:</b>					
2023	\$ 328,059	\$ 328,059	\$ -	\$ 1,049,788	31.25%
2022	294,049	294,049	-	988,399	29.75%
2021	268,207	267,426	781	794,687	33.65%
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%
<b>Firefighters' Retirement System of Louisiana:</b>					
2023	\$ 159,831	\$ 159,831	\$ -	\$ 480,694	33.25%
2022	135,852	135,853	(1)	402,525	33.75%
2021	116,458	116,458	-	361,111	32.25%
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 Basic Financial Statements (Continued)

(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 15<sup>th</sup> 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 15<sup>th</sup> 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) 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, 2023 for the various pension plans reflect the following changes used to measure the total pension liability:

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Amounts reported in fiscal year ended June 30, 2023 for the various pension plans reflect the following changes used to measure the total pension liability:

*					
Year ended	Discount	Investment	Inflation	Expected	Projected
June 30,	Rate	Rate	Rate	Remaining	Salary
		of Return		Service Lives	Increase
<b>Municipal Employees' Retirement System of Louisiana - Plan B:</b>					
2023	6.85%	6.85%	2.50%	3	4.9-7.4%
2022	6.85%	6.85%	2.50%	3	4.9-7.4%
2021	6.95%	6.95%	2.50%	3	4.9-7.4%
2020	7.00%	7.00%	2.50%	3	4.5-6.4%
2019	7.275%	7.275%	2.60%	3	5.00%
2018	7.40%	7.40%	2.775%	4	5.00%
2017	7.50%	7.50%	2.875%	4	5.00%
2016	7.50%	7.50%	2.875%	4	5.00%
2015	7.75%	7.75%	3.00%	4	5.75%
<b>Municipal Police Employees' Retirement System of Louisiana:</b>					
2023	6.75%	6.75%	2.50%	4	4.70-12.30%
2022	6.75%	6.75%	2.50%	4	4.70-12.30%
2021	6.95%	6.95%	2.50%	4	4.70-12.30%
2020	7.125%	7.125%	2.50%	4	4.25-9.75%
2019	7.20%	7.20%	2.60%	4	4.25-9.75%
2018	7.325%	7.325%	2.70%	4	4.25-9.75%
2017	7.50%	7.50%	2.875%	4	4.25-9.75%
2016	7.50%	7.50%	2.875%	4	4.25-9.75%
2015	7.50%	7.50%	3.00%	4	4.0-10.0%
<b>Firefighters' Retirement System of Louisiana:</b>					
2023	6.90%	6.90%	2.50%	7	5.2-14.10%
2022	6.90%	6.90%	2.50%	7	5.2-14.10%
2021	7.00%	7.00%	2.50%	7	4.5-14.75%
2020	7.15%	7.15%	2.50%	7	4.5-14.75%
2019	7.30%	7.30%	2.70%	7	4.75-15.0%
2018	7.40%	7.40%	2.775%	7	4.75-15.0%
2017	7.50%	7.50%	2.875%	7	4.75-15.0%
2016	7.50%	7.50%	2.875%	7	4.75-15.0%
2015	7.50%	7.50%	3.00%	7	5.5-14.0%

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



CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) OPEB Plan

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

Changes of Assumptions – Amounts reported in fiscal year ended June 30, 2023 for the OPEB plan reflect the following changes used to measure total OPEB liability.

<u>Year ended</u> <u>June 30,</u>	<u>Discount</u> <u>Rate</u>
2023	3.54%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.88%
2018	3.88%

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.

**SUPPLEMENTARY INFORMATION**

CITY OF LEESVILLE, LOUISIANA

Statement of Net Position  
 June 30, 2023  
 With Comparative Totals for June 30, 2022

	2023			2022 Totals
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current assets				
Cash and interest-bearing deposits	\$ 12,520,803	\$ 1,376,297	\$ 13,897,100	\$ 9,507,339
Receivables	746,104	410,744	1,156,848	1,204,478
Due from other governmental agencies	207,686	278,175	485,861	569,766
Inventories	56,394	-	56,394	108,011
Other assets	142,225	8,377	150,602	96,631
Total current assets	<u>13,673,212</u>	<u>2,073,593</u>	<u>15,746,805</u>	<u>11,486,225</u>
Noncurrent assets				
Restricted assets:				
Cash and interest-bearing deposits	168,275	862,434	1,030,709	2,343,633
Capital assets:				
Land and construction in progress	1,630,549	381,964	2,012,513	1,277,062
Capital assets, net	14,798,362	16,673,375	31,471,737	31,886,845
Total noncurrent assets	<u>16,597,186</u>	<u>17,917,773</u>	<u>34,514,959</u>	<u>35,507,540</u>
Total assets	<u>30,270,398</u>	<u>19,991,366</u>	<u>50,261,764</u>	<u>46,993,765</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plans	2,458,014	240,888	2,698,902	1,129,533
OPEB obligation	27,282	4,264	31,546	39,958
Total deferred inflows of resources	<u>2,485,296</u>	<u>245,152</u>	<u>2,730,448</u>	<u>1,169,491</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and other payables	445,971	63,968	509,939	337,621
Interest payable	7,308	-	7,308	11,852
Advance fuel sales	30,811	-	30,811	23,305
Internal balances	6,872,202	(6,872,202)	-	-
Customer deposits payable	-	242,807	242,807	245,622
Bonds, notes, and leases due within one year	458,836	204,641	663,477	938,100
Total current liabilities	<u>7,815,128</u>	<u>(6,360,786)</u>	<u>1,454,342</u>	<u>1,556,500</u>
Noncurrent liabilities:				
Compensated absences payable	260,761	56,480	317,241	371,691
Bonds, notes, and leases due after one year	896,023	2,605,113	3,501,136	4,077,009
OPEB obligation payable	1,114,627	174,160	1,288,787	1,305,132
Net pension liability	5,518,369	656,910	6,175,279	3,014,375
Total noncurrent liabilities	<u>7,789,780</u>	<u>3,492,663</u>	<u>11,282,443</u>	<u>8,768,207</u>
Total liabilities	<u>15,604,908</u>	<u>(2,868,123)</u>	<u>12,736,785</u>	<u>10,324,707</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plans	296,907	18,122	315,029	1,907,301
OPEB obligation	101,567	15,870	117,437	149,281
Total deferred inflows of resources	<u>398,474</u>	<u>33,992</u>	<u>432,466</u>	<u>2,056,582</u>
<b>NET POSITION</b>				
Net investment in capital assets	15,074,052	16,012,997	31,087,049	29,800,192
Restricted for capital projects	553,179	-	553,179	731,966
Restricted for sales tax dedications	2,138,489	-	2,138,489	1,924,725
Unrestricted	(1,013,408)	7,057,652	6,044,244	3,325,084
Total net position	<u>\$ 16,752,312</u>	<u>\$ 23,070,649</u>	<u>\$ 39,822,961</u>	<u>\$ 35,781,967</u>

CITY OF LEESVILLE, LOUISIANA

Comparative Balance Sheet - Major Governmental Funds  
June 30, 2023

	General		Sales Tax		Public Safety	
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
Cash and interest-bearing deposits	\$ 1,648,417	\$ 662,937	\$ 10,867,205	\$ 8,608,290	\$ -	\$ -
Receivables -						
Due from other funds	765,456	524,431	-	-	995,351	431,081
Due from other governmental agencies	5,400	5,400	9,209	-	-	-
Other	155,507	201,250	395,700	390,686	194,897	192,427
Prepaid items	83,054	56,820	16,045	9,463	43,126	23,715
Inventories	56,394	108,011	-	-	-	-
Total assets	<u>\$ 2,714,228</u>	<u>\$ 1,558,849</u>	<u>\$ 11,288,159</u>	<u>\$ 9,008,439</u>	<u>\$ 1,233,374</u>	<u>\$ 647,223</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 24,022	\$ 73,658	\$ 10,544	\$ 11,556	\$ 6,668	\$ 18,403
Accrued liabilities	105,472	88,890	21,806	9,426	52,573	57,199
Due to other funds	956,000	158,796	8,248,737	6,340,855	-	-
Advance fuel sales	30,811	23,305	-	-	-	-
Total liabilities	<u>1,116,305</u>	<u>344,649</u>	<u>8,281,087</u>	<u>6,361,837</u>	<u>59,241</u>	<u>75,602</u>
Fund balances -						
Nonspendable	139,448	164,831	16,045	9,463	43,126	23,715
Restricted	-	-	2,138,489	1,924,725	-	-
Committed	-	-	852,538	712,414	1,131,007	547,906
Unassigned	<u>1,458,475</u>	<u>1,049,369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,597,923</u>	<u>1,214,200</u>	<u>3,007,072</u>	<u>2,646,602</u>	<u>1,174,133</u>	<u>571,621</u>
Total liabilities and fund balances	<u>\$ 2,714,228</u>	<u>\$ 1,558,849</u>	<u>\$ 11,288,159</u>	<u>\$ 9,008,439</u>	<u>\$ 1,233,374</u>	<u>\$ 647,223</u>

CITY OF LEESVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2023  
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Actual	Variance with Final Budget Positive (Negative)	2022 Actual
	Budget				
	Original	Final			
Revenues.					
Taxes	\$1,087,428	\$1,029,404	\$1,024,756	\$ (4,648)	\$1,050,107
Licenses and permits	551,500	525,628	557,391	31,763	634,043
Intergovernmental	79,910	53,977	73,987	20,010	66,631
Charges for services	192,700	250,030	250,435	405	220,312
Miscellaneous	104,900	120,406	132,754	12,348	117,219
Total revenues	<u>2,016,438</u>	<u>1,979,445</u>	<u>2,039,323</u>	<u>59,878</u>	<u>2,088,312</u>
Expenditures					
Current					
General government:					
General and administrative	929,740	1,017,196	928,499	88,697	957,141
Executive	83,120	96,123	96,634	(511)	79,287
Legal	44,302	40,302	39,624	678	46,055
Public works	1,141,646	1,167,602	1,092,533	75,069	1,042,218
Economic development	270,830	255,198	259,967	(4,769)	234,566
Debt service	-	165,000	161,689	3,311	163,693
Capital outlay	640,172	412,400	195,599	216,801	144,208
Total expenditures	<u>3,109,810</u>	<u>3,153,821</u>	<u>2,774,545</u>	<u>379,276</u>	<u>2,667,168</u>
Deficiency of revenues over expenditures	<u>(1,093,372)</u>	<u>(1,174,376)</u>	<u>(735,222)</u>	<u>439,154</u>	<u>(578,856)</u>
Other financing sources (uses)					
Proceeds from notes payable	-	-	-	-	66,606
Transfers in	1,200,000	1,220,000	1,183,945	(36,055)	1,134,246
Transfers out	(5,000)	(65,000)	(65,000)	-	(5,000)
Total other financing sources (uses)	<u>1,195,000</u>	<u>1,155,000</u>	<u>1,118,945</u>	<u>(36,055)</u>	<u>1,195,852</u>
Net change in fund balance	101,628	(19,376)	383,723	403,099	616,996
Fund balance, beginning	<u>1,214,200</u>	<u>1,214,200</u>	<u>1,214,200</u>	<u>-</u>	<u>597,204</u>
Fund balance, ending	<u>\$1,315,828</u>	<u>\$1,194,824</u>	<u>\$1,597,923</u>	<u>\$ 403,099</u>	<u>\$1,214,200</u>

CITY OF LEESVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2023  
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
<b>Taxes:</b>					
Ad valorem	\$ 634,428	\$ 510,496	\$ 491,567	\$ (18,929)	\$ 564,372
Franchise	453,000	518,908	533,189	14,281	485,735
Total taxes	<u>1,087,428</u>	<u>1,029,404</u>	<u>1,024,756</u>	<u>(4,648)</u>	<u>1,050,107</u>
<b>Licenses and permits:</b>					
Occupational licenses	515,000	506,628	540,089	33,461	597,889
Permits	36,500	19,000	17,302	(1,698)	36,154
Total licenses and permits	<u>551,500</u>	<u>525,628</u>	<u>557,391</u>	<u>31,763</u>	<u>634,043</u>
<b>Intergovernmental.</b>					
State of Louisiana -					
Beer taxes	20,000	18,883	18,953	70	19,709
Federal and state grants	59,910	35,094	55,034	19,940	46,922
Total intergovernmental	<u>79,910</u>	<u>53,977</u>	<u>73,987</u>	<u>20,010</u>	<u>66,631</u>
<b>Charges for services:</b>					
Inspection fees	13,100	3,030	3,020	(10)	13,470
Airport hanger rent	27,000	30,000	32,586	2,586	26,723
Airport fuel sales	70,000	126,600	132,829	6,229	95,045
Industrial park	81,600	90,000	81,600	(8,400)	81,600
Miscellaneous	1,000	400	400	-	3,474
Total charges for services	<u>192,700</u>	<u>250,030</u>	<u>250,435</u>	<u>405</u>	<u>220,312</u>
<b>Miscellaneous:</b>					
Interest	1,000	20,000	27,267	7,267	2,116
Video bingo	75,000	57,100	64,761	7,661	64,005
Other sources	28,900	43,306	40,726	(2,580)	51,098
Total miscellaneous	<u>104,900</u>	<u>120,406</u>	<u>132,754</u>	<u>12,348</u>	<u>117,219</u>
Total revenues	<u>\$2,016,438</u>	<u>\$1,979,445</u>	<u>\$2,039,323</u>	<u>\$ 59,878</u>	<u>\$2,088,312</u>

CITY OF LEESVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2023  
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government:					
General and administrative -					
Salaries and wages	\$ 427,292	\$ 427,567	\$ 410,020	\$ 17,547	\$ 413,303
Payroll taxes	33,098	33,373	30,844	2,529	31,178
Retirement contribution	62,837	59,600	57,493	2,107	59,962
Deferred compensation	5,317	3,882	4,096	(214)	5,333
Hospitalization	26,496	30,000	33,670	(3,670)	28,778
Insurance	81,850	116,750	133,679	(16,929)	95,562
Materials and supplies	50,500	46,150	39,498	6,652	47,715
Advertisements and recordings	5,000	6,500	7,075	(575)	5,495
Accounting and auditing	16,000	24,225	26,105	(1,880)	15,425
Professional fees	2,500	8,000	8,000	-	13,907
Miscellaneous	51,850	81,549	67,255	14,294	63,410
Utilities and telephone	49,000	50,500	49,556	944	43,573
Repairs and maintenance	69,500	91,399	32,337	59,062	95,296
Dues	3,000	3,200	1,180	2,020	5,275
Travel	6,500	2,500	1,054	1,446	10
Uniforms	33,000	26,000	26,416	(416)	27,691
Annexation related costs	-	-	-	-	2,551
Legal fees	1,000	1,001	221	780	2,177
Fort Polk Progress	5,000	5,000	-	5,000	500
Total general and administrative	<u>929,740</u>	<u>1,017,196</u>	<u>928,499</u>	<u>88,697</u>	<u>957,141</u>
Executive -					
Salaries	61,960	61,960	64,000	(2,040)	54,974
Payroll taxes	4,740	4,740	4,896	(156)	4,188
Hospitalization	-	-	-	-	52
Insurance	420	423	217	206	344
Office supplies	1,000	1,000	267	733	2,494
Travel	10,000	20,000	21,305	(1,305)	9,445
Public relations	5,000	8,000	5,949	2,051	7,790
Total executive	<u>83,120</u>	<u>96,123</u>	<u>96,634</u>	<u>(511)</u>	<u>79,287</u>

(continued)

CITY OF LEESVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2023  
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Legal -					
Salaries	36,000	36,000	36,000	-	36,000
Payroll taxes	3,162	3,162	3,209	(47)	3,161
Insurance	140	140	68	72	121
Legal fees	<u>5,000</u>	<u>1,000</u>	<u>347</u>	<u>653</u>	<u>6,773</u>
Total legal	<u>44,302</u>	<u>40,302</u>	<u>39,624</u>	<u>678</u>	<u>46,055</u>
Public works:					
Salaries	499,334	427,500	410,221	17,279	438,462
Payroll taxes	38,162	32,180	30,973	1,207	32,985
Retirement contribution	68,470	60,876	60,545	331	62,609
Deferred compensation	3,514	2,700	2,536	164	2,414
Hospitalization	36,316	27,000	31,337	(4,337)	37,928
Maintenance and supplies	265,500	337,927	306,840	31,087	228,565
Dumpster service	9,500	8,500	7,528	972	7,549
Utilities and telephone	120,540	164,174	167,357	(3,183)	130,603
Insurance	94,810	101,594	70,927	30,667	84,175
Miscellaneous	<u>5,500</u>	<u>5,151</u>	<u>4,269</u>	<u>882</u>	<u>16,928</u>
Total public works	<u>1,141,646</u>	<u>1,167,602</u>	<u>1,092,533</u>	<u>75,069</u>	<u>1,042,218</u>
Economic development -					
Salaries	52,910	45,000	42,712	2,288	42,521
Payroll taxes	4,048	4,048	3,711	337	3,666
Maintenance and supplies	65,982	25,160	25,168	(8)	26,210
Fuel	60,000	90,000	99,093	(9,093)	75,352
Utilities and telephone	16,210	18,200	16,519	1,681	16,693
Insurance	69,680	70,390	70,399	(9)	68,495
Miscellaneous	<u>2,000</u>	<u>2,400</u>	<u>2,365</u>	<u>35</u>	<u>1,629</u>
Total economic development	<u>270,830</u>	<u>255,198</u>	<u>259,967</u>	<u>(4,769)</u>	<u>234,566</u>

(continued)



CITY OF LEESVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2023  
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Debt service:					
Retirement of principal	-	140,000	138,574	1,426	136,836
Interest and fiscal charges	-	25,000	23,115	1,885	26,857
Total debt service	-	165,000	161,689	3,311	163,693
Capital outlay:					
General government	141,700	81,700	-	81,700	-
Public works	498,472	315,000	188,949	126,051	120,902
Economic development	-	15,700	6,650	9,050	23,306
Total capital outlay	640,172	412,400	195,599	216,801	144,208
Total expenditures	<u>\$3,109,810</u>	<u>\$3,153,821</u>	<u>\$2,774,545</u>	<u>\$ 379,276</u>	<u>\$2,667,168</u>

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

Budgetary Comparison Schedule  
For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Revenues					
Taxes	\$ 3,800,000	\$ 3,920,000	\$ 4,027,881	\$ 107,881	\$ 3,912,822
Charges for services	7,600	24,146	58,194	34,048	19,732
Miscellaneous	57,300	75,027	81,930	6,903	110,510
Total revenues	<u>3,864,900</u>	<u>4,019,173</u>	<u>4,168,005</u>	<u>148,832</u>	<u>4,043,064</u>
Expenditures:					
Current -					
General government:					
Salaries and wages	63,180	65,000	63,734	1,266	58,451
Payroll taxes	4,680	5,500	5,312	188	4,854
Retirement contribution	8,398	8,870	8,854	16	8,232
Deferred compensation	520	520	704	(184)	524
Collection fees	70,000	62,000	65,168	(3,168)	64,883
Miscellaneous	13,805	14,937	12,081	2,856	14,326
Total general government	<u>160,583</u>	<u>156,827</u>	<u>155,853</u>	<u>974</u>	<u>151,270</u>
Culture and recreation					
Recreation department	213,882	239,825	225,140	14,685	201,358
Recreation complex	160,967	105,012	96,596	8,416	76,147
Neighborhood center	198,528	205,669	188,597	17,072	183,712
Leisure pool	13,150	46,171	61,763	(15,592)	8,964
Total culture and recreation	<u>586,527</u>	<u>596,677</u>	<u>572,096</u>	<u>24,581</u>	<u>470,181</u>
Debt service -					
Retirement of principal	-	7,300	-	7,300	7,294
Interest and fiscal charges	-	400	-	400	365
Total debt service	<u>-</u>	<u>7,700</u>	<u>-</u>	<u>7,700</u>	<u>7,659</u>
Capital outlay -					
Culture and recreation					
Recreation department	118,100	400,000	365,465	34,535	98,898
Neighborhood center	5,800	5,800	10,361	(4,561)	-
Leisure pool	-	6,600	-	6,600	-
Total capital outlay	<u>123,900</u>	<u>412,400</u>	<u>375,826</u>	<u>36,574</u>	<u>98,898</u>
Total expenditures	<u>871,010</u>	<u>1,173,604</u>	<u>1,103,775</u>	<u>69,829</u>	<u>728,008</u>
Excess of revenues over expenditures	2,993,890	2,845,569	3,064,230	218,661	3,315,056
Other financing uses:					
Transfers out	(2,400,000)	(2,700,000)	(2,703,760)	(3,760)	(2,500,000)
Net change in fund balance	593,890	145,569	360,470	214,901	815,056
Fund balance, beginning	2,646,602	2,646,602	2,646,602	-	1,831,546
Fund balance, ending	<u>\$ 3,240,492</u>	<u>\$ 2,792,171</u>	<u>\$ 3,007,072</u>	<u>\$ 214,901</u>	<u>\$ 2,646,602</u>

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

Budgetary Comparison Schedule  
For the Year Ended June 30, 2023  
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 1,900,000	\$ 1,959,000	\$ 1,997,987	\$ 38,987	\$ 1,927,211
Intergovernmental	23,229	195,788	257,104	61,316	200,632
Fines and forfeitures	75,000	95,000	102,421	7,421	87,587
Charges for services	57,750	86,280	88,995	2,715	70,523
Miscellaneous	9,700	8,185	10,122	1,937	31,931
Total revenues	<u>2,065,679</u>	<u>2,344,253</u>	<u>2,456,629</u>	<u>112,376</u>	<u>2,317,884</u>
<b>Expenditures:</b>					
<b>Current -</b>					
<b>General Government:</b>					
Accounting and auditing	5,000	7,831	5,250	2,581	4,610
<b>Public safety:</b>					
<b>Police -</b>					
Salaries and wages	1,506,200	1,649,200	1,483,937	165,263	1,408,653
Payroll taxes	117,000	115,000	104,361	10,639	99,119
Retirement contribution	364,000	360,000	333,686	26,314	312,349
Hospitalization	93,600	90,000	94,433	(4,433)	91,080
Insurance	210,904	196,699	143,754	52,945	182,621
Telephone and utilities	80,000	86,000	86,329	(329)	74,111
Maintenance and supplies	264,000	278,000	224,977	53,023	230,392
Collection fee	35,000	30,000	32,091	(2,091)	32,004
Equipment lease	1,980	3,500	3,850	(350)	1,997
Prisoner expense	34,400	59,400	47,480	11,920	42,316
Miscellaneous	79,300	69,300	46,430	22,870	41,748
Total police	<u>2,786,384</u>	<u>2,937,099</u>	<u>2,601,328</u>	<u>335,771</u>	<u>2,516,390</u>
<b>Fire -</b>					
Salaries and wages	585,004	655,504	641,711	13,793	630,995
Payroll taxes	43,794	48,000	46,438	1,562	45,960
Retirement contribution	161,101	166,000	159,959	6,041	135,572
Hospitalization	50,580	50,300	56,833	(6,533)	61,809
Insurance	90,894	100,700	68,568	32,132	74,647
Telephone and utilities	49,600	33,500	29,910	3,590	42,911
Maintenance and supplies	77,000	80,000	69,241	10,759	68,771
Miscellaneous	85,000	29,000	27,500	1,500	138,524
Total fire	<u>1,142,973</u>	<u>1,163,004</u>	<u>1,100,160</u>	<u>62,844</u>	<u>1,199,189</u>

(continued)

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

Budgetary Comparison Schedule (Continued)  
For the Year Ended June 30, 2023  
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Expenditures (continued).					
City Court -					
Salaries and wages	75,501	75,501	75,500	1	75,500
Payroll taxes	7,186	7,186	6,230	956	6,183
Insurance	323	323	160	163	284
Miscellaneous	12,000	23,000	19,785	3,215	12,300
Utilities	9,000	11,000	11,133	(133)	8,589
Maintenance	1,000	1,000	890	110	7,106
Total city court	<u>105,010</u>	<u>118,010</u>	<u>113,698</u>	<u>4,312</u>	<u>109,962</u>
Debt service -					
Retirement of principal	-	65,000	84,362	(19,362)	64,283
Interest and fiscal charges	-	18,000	17,155	845	17,385
Total debt service	<u>-</u>	<u>83,000</u>	<u>101,517</u>	<u>(18,517)</u>	<u>81,668</u>
Capital outlay -					
Public safety					
Police	193,118	110,000	141,714	(31,714)	148,584
Fire	350,000	350,000	349,164	836	50,000
Total capital outlay	<u>543,118</u>	<u>460,000</u>	<u>490,878</u>	<u>(30,878)</u>	<u>198,584</u>
Total expenditures	<u>4,582,485</u>	<u>4,768,944</u>	<u>4,412,831</u>	<u>356,113</u>	<u>4,110,403</u>
Deficiency of revenues over expenditures	<u>(2,516,806)</u>	<u>(2,424,691)</u>	<u>(1,956,202)</u>	<u>468,489</u>	<u>(1,792,519)</u>
Other financing sources:					
Proceeds from notes payable	-	-	104,954	104,954	105,469
Transfers in	2,125,000	2,450,000	2,453,760	3,760	1,850,000
Total other financing sources	<u>2,125,000</u>	<u>2,450,000</u>	<u>2,558,714</u>	<u>108,714</u>	<u>1,955,469</u>
Net change in fund balance	(391,806)	25,309	602,512	577,203	162,950
Fund balance, beginning	<u>571,621</u>	<u>571,621</u>	<u>571,621</u>	<u>-</u>	<u>408,671</u>
Fund balance, ending	<u>\$ 179,815</u>	<u>\$ 596,930</u>	<u>\$ 1,174,133</u>	<u>\$ 577,203</u>	<u>\$ 571,621</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 Fund**

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.

#### **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.

### **Capital Projects Funds**

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, 2023

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and interest-bearing deposits	\$ -	\$ 5,181	\$ -	\$ 5,181
Receivables -				
Due from other funds	97,458	-	479,359	576,817
Due from other governmental agencies	-	-	193,077	193,077
Restricted cash and interest-bearing deposits	-	-	168,275	168,275
Total assets	\$ 97,458	\$ 5,181	\$ 840,711	\$ 943,350
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and retamage payable	\$ -	\$ -	\$ 224,886	\$ 224,886
Due to other funds	-	5,089	-	5,089
Total liabilities	-	5,089	224,886	229,975
Fund balances:				
Restricted for debt service	-	92	-	92
Restricted for capital projects	-	-	615,825	615,825
Unassigned	97,458	-	-	97,458
Total fund balances	97,458	92	615,825	713,375
Total liabilities and fund balances	\$ 97,458	\$ 5,181	\$ 840,711	\$ 943,350

CITY OF LEESVILLE, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 2023

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:				
Taxes	\$ -	\$ 248,048	\$ -	\$ 248,048
Intergovernmental	-	-	992,496	992,496
Miscellaneous	<u>2,100</u>	<u>16</u>	<u>648</u>	<u>2,764</u>
Total revenues	<u>2,100</u>	<u>248,064</u>	<u>993,144</u>	<u>1,243,308</u>
Expenditures:				
Current -				
Public works	26,519	-	1,540	28,059
Debt service	-	248,048	-	248,048
Capital outlay	<u>-</u>	<u>-</u>	<u>1,143,800</u>	<u>1,143,800</u>
Total expenditures	<u>26,519</u>	<u>248,048</u>	<u>1,145,340</u>	<u>1,419,907</u>
Excess (deficiency) of revenues over expenditures	(24,419)	16	(152,196)	(176,599)
Other financing sources (uses):				
Transfers in	<u>45,000</u>	<u>-</u>	<u>36,055</u>	<u>81,055</u>
Net change in fund balance	20,581	16	(116,141)	(95,544)
Fund balances, beginning	<u>76,877</u>	<u>76</u>	<u>731,966</u>	<u>808,919</u>
Fund balances, ending	<u>\$ 97,458</u>	<u>\$ 92</u>	<u>\$ 615,825</u>	<u>\$ 713,375</u>



**NONMAJOR CAPITAL PROJECTS FUNDS**

CITY OF LEESVILLE, LOUISIANA  
Nonmajor Capital Projects Funds

Combining Balance Sheet  
June 30, 2023

	Airport Construction	Improvements	Total
<b>ASSETS</b>			
Due from other funds	\$ 50,616	\$ 428,743	\$ 479,359
Due from other governmental agencies	188,830	4,247	193,077
Restricted cash and interest-bearing deposits	-	168,275	168,275
Total assets	\$ 239,446	\$ 601,265	\$ 840,711
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities.			
Contracts and retamage payable	\$ 224,886	\$ -	\$ 224,886
Fund balances.			
Restricted for capital projects	14,560	601,265	615,825
Total liabilities and fund balances	\$ 239,446	\$ 601,265	\$ 840,711

CITY OF LEESVILLE, LOUISIANA  
Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 2023

	Airport Construction	Improvements	Total
Revenues:			
Intergovernmental	\$ 673,087	\$ 319,409	\$ 992,496
Miscellaneous	-	648	648
Total revenues	673,087	320,057	993,144
Expenditures:			
Public works	-	1,540	1,540
Capital outlay	709,144	434,656	1,143,800
Total expenditures	709,144	436,196	1,145,340
Deficiency of revenues over expenditures	(36,057)	(116,139)	(152,196)
Other financing sources (uses):			
Transfers in	36,055	-	36,055
Net change in fund balance	(2)	(116,139)	(116,141)
Fund balances, beginning	14,562	717,404	731,966
Fund balances, ending	\$ 14,560	\$ 601,265	\$ 615,825

CITY OF LEESVILLE, LOUISIANA

Comparative Statement of Position - Proprietary Funds  
June 30, 2023

	Business-Type Activities - Enterprise Funds							
	Sewer		Water		Fort Polk Vegetation Control		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>								
<b>Current assets</b>								
Cash and interest-bearing deposits	\$ 228,512	\$ 228,512	\$ 1,147,785	\$ -	\$ -	\$ -	\$ 1,376,297	\$ 228,512
Receivables:								
Accounts, net	163,126	166,562	247,618	253,553	-	-	410,744	420,115
Due from other funds	4,367,797	2,704,180	1,286,775	1,443,552	1,354,880	1,111,636	7,009,452	5,319,368
Due from other governmental agencies	-	12,027	-	16,923	278,175	527,715	278,175	556,665
Prepaid items	3,665	3,020	3,665	3,020	1,047	593	8,377	6,633
Total current assets	<u>4,763,100</u>	<u>3,174,301</u>	<u>2,685,843</u>	<u>1,717,045</u>	<u>1,634,102</u>	<u>1,639,944</u>	<u>9,083,045</u>	<u>6,531,293</u>
<b>Noncurrent assets</b>								
<b>Restricted assets -</b>								
Cash and interest-bearing deposits	-	-	862,434	1,899,781	-	-	862,434	1,899,781
Land and construction in progress	287,082	119,876	94,882	771,722	-	-	381,964	891,598
Capital assets, net of accumulated depreciation	8,296,803	8,672,149	7,879,694	7,307,238	496,878	636,053	16,673,375	16,615,440
Total noncurrent assets	<u>8,583,885</u>	<u>8,792,025</u>	<u>8,837,010</u>	<u>9,978,741</u>	<u>496,878</u>	<u>636,053</u>	<u>17,917,773</u>	<u>19,406,819</u>
Total assets	<u>13,346,985</u>	<u>11,966,326</u>	<u>11,522,853</u>	<u>11,695,789</u>	<u>2,130,980</u>	<u>2,275,997</u>	<u>27,000,818</u>	<u>25,938,112</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Pension plans	110,917	51,395	65,997	32,138	63,974	25,383	240,888	108,916
OPEB obligation	2,558	3,240	853	1,080	853	1,080	4,264	5,400
Total deferred inflows of resources	<u>113,475</u>	<u>54,635</u>	<u>66,850</u>	<u>33,218</u>	<u>64,827</u>	<u>26,463</u>	<u>245,152</u>	<u>114,316</u>
<b>LIABILITIES</b>								
<b>Current liabilities (payable from current assets)</b>								
Accounts and other payables	9,875	9,091	21,444	10,293	32,649	46,859	63,968	66,234
Due to other funds	25,346	25,346	111,904	111,904	-	-	137,250	137,250
Notes payable	-	-	-	-	15,641	176,237	15,641	176,237
Total	<u>35,221</u>	<u>34,437</u>	<u>133,348</u>	<u>122,197</u>	<u>48,290</u>	<u>223,087</u>	<u>216,859</u>	<u>379,721</u>
<b>Current liabilities (payable from restricted assets)</b>								
Customer deposits payable	-	-	242,807	245,622	-	-	242,807	245,622
Revenue bonds	-	-	189,000	322,000	-	-	189,000	322,000
Accrued interest payable	-	-	-	2,765	-	-	-	2,765
Total	<u>-</u>	<u>-</u>	<u>431,807</u>	<u>570,387</u>	<u>-</u>	<u>-</u>	<u>431,807</u>	<u>570,387</u>
Total current liabilities	<u>35,221</u>	<u>34,437</u>	<u>565,155</u>	<u>692,584</u>	<u>48,290</u>	<u>223,087</u>	<u>648,666</u>	<u>950,108</u>
<b>Noncurrent liabilities</b>								
Compensated absences payable	36,579	34,794	16,076	16,629	3,825	2,593	56,480	54,016
OPEB obligation payable	104,496	105,822	34,832	35,274	34,832	35,274	174,160	176,370
Net pension liability	338,374	190,301	274,395	117,420	44,141	97,175	656,910	404,896
Revenue bonds payable	-	-	2,567,000	2,756,000	-	-	2,567,000	2,756,000
Notes payable	-	-	35,449	35,449	2,664	19,582	38,113	55,031
Total noncurrent liabilities	<u>479,449</u>	<u>330,917</u>	<u>2,927,752</u>	<u>2,960,772</u>	<u>85,462</u>	<u>154,624</u>	<u>3,492,663</u>	<u>3,446,313</u>
Total liabilities	<u>514,670</u>	<u>365,354</u>	<u>3,492,907</u>	<u>3,653,356</u>	<u>133,752</u>	<u>377,711</u>	<u>4,141,329</u>	<u>4,396,421</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Pension plans	8,547	73,970	5,336	45,542	4,239	38,444	18,122	157,956
OPEB obligation	9,522	12,104	3,174	4,035	3,174	4,035	15,870	20,174
Total deferred inflows of resources	<u>18,069</u>	<u>86,074</u>	<u>8,510</u>	<u>49,577</u>	<u>7,413</u>	<u>42,479</u>	<u>33,992</u>	<u>178,130</u>
<b>NET POSITION</b>								
Net investment in capital assets	8,583,885	8,792,025	6,950,539	6,616,905	478,573	440,234	16,012,997	15,849,164
Unrestricted	4,343,836	2,777,508	1,137,747	1,409,169	1,576,069	1,442,036	7,057,652	5,628,713
Total net position	<u>\$ 12,927,721</u>	<u>\$ 11,569,533</u>	<u>\$ 8,088,286</u>	<u>\$ 8,026,074</u>	<u>\$ 2,054,642</u>	<u>\$ 1,882,270</u>	<u>\$ 23,070,649</u>	<u>\$ 21,477,877</u>

CITY OF LEESVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds  
For the Year Ended June 30, 2023

	Business -Type Activities - Enterprise Funds							
	Sewer		Water		Fort Polk Vegetation Control		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Operating revenues:								
Charges for services	\$ 1,138,293	\$ 1,144,488	\$ 1,851,857	\$ 1,821,499	\$ 3,223,559	\$ 3,135,095	\$ 6,213,709	\$ 6,101,082
Miscellaneous	-	-	-	-	2,972	873	2,972	873
Total operating revenues	<u>1,138,293</u>	<u>1,144,488</u>	<u>1,851,857</u>	<u>1,821,499</u>	<u>3,226,531</u>	<u>3,135,968</u>	<u>6,216,681</u>	<u>6,101,955</u>
Operating expenses:								
Salaries	281,098	326,712	249,612	196,171	178,243	182,980	708,953	705,863
Employee benefits	19,751	29,771	29,350	15,523	15,869	19,844	64,970	65,138
OPEB expense (benefit)	(3,226)	(43,183)	(1,076)	(40,705)	(1,076)	(1,239)	(5,378)	(85,127)
Pension expense	42,780	21,305	25,370	13,918	24,609	8,365	92,759	43,588
Operating supplies	85,290	82,877	251,212	225,358	422,598	322,768	759,100	631,003
Vehicle expense	13,200	21,185	52,901	54,572	108,960	125,387	175,061	201,144
Utilities and communications	137,778	138,265	214,587	202,816	1,491	923	353,856	342,004
Insurance	67,572	76,770	68,548	95,295	30,876	30,519	166,996	202,584
Legal and other professional	15,700	11,845	16,670	12,915	13,799	12,124	46,169	36,884
Repairs and maintenance	32,078	101,756	79,968	89,257	57,205	83,323	169,251	274,336
Contracted services	-	-	-	-	1,307,459	1,158,228	1,307,459	1,158,228
Bad debt	14,744	25,582	9,582	17,356	-	-	24,326	42,938
Miscellaneous	49,354	54,179	1,103	2,074	-	-	50,457	56,253
Depreciation	382,324	376,613	404,388	386,335	166,898	130,629	953,610	893,582
Total operating expenses	<u>1,138,443</u>	<u>1,223,682</u>	<u>1,402,215</u>	<u>1,270,885</u>	<u>2,326,931</u>	<u>2,073,851</u>	<u>4,867,589</u>	<u>4,568,418</u>
Operating income (loss)	<u>(150)</u>	<u>(79,194)</u>	<u>449,642</u>	<u>550,614</u>	<u>899,600</u>	<u>1,062,117</u>	<u>1,349,092</u>	<u>1,533,537</u>
Nonoperating revenues (expenses):								
Interest income	2,506	14,753	891	801	-	-	3,397	15,554
Ad valorem taxes	191,741	184,375	-	-	-	-	191,741	184,375
Gain (loss) on disposal of assets	-	-	8,201	-	(178,337)	-	(170,136)	-
Nonemployer pension contribution	9,797	7,901	5,882	4,935	5,487	3,906	21,166	16,742
Interest expense	-	-	(97,698)	(107,880)	(4,378)	(13,619)	(102,076)	(121,499)
Total nonoperating revenues (expenses)	<u>204,044</u>	<u>207,029</u>	<u>(82,724)</u>	<u>(102,144)</u>	<u>(177,228)</u>	<u>(9,713)</u>	<u>(55,908)</u>	<u>95,172</u>
Income before contributions and transfers	203,894	127,835	366,918	448,470	722,372	1,052,404	1,293,184	1,628,709
Capital Contributions	1,154,294	1,055,491	95,294	30,197	-	-	1,249,588	1,085,688
Transfers in (out)	-	32,442	(400,000)	88,821	(550,000)	(421,263)	(950,000)	(300,000)
Change in net position	1,358,188	1,215,768	62,212	567,488	172,372	631,141	1,592,772	2,414,397
Net position, beginning	<u>11,569,533</u>	<u>10,353,765</u>	<u>8,026,074</u>	<u>7,458,586</u>	<u>1,882,270</u>	<u>1,251,129</u>	<u>21,477,877</u>	<u>19,063,480</u>
Net position, ending	<u>\$ 12,927,721</u>	<u>\$ 11,569,533</u>	<u>\$ 8,088,286</u>	<u>\$ 8,026,074</u>	<u>\$ 2,054,642</u>	<u>\$ 1,882,270</u>	<u>\$ 23,070,649</u>	<u>\$ 21,477,877</u>

CITY OF LEESVILLE, LOUISIANA

Justice System Funding Schedule - Receiving Entity  
 As Required by Act 87 of the 2020 Regular Legislative Session  
 Cash Basis Presentation  
 For the Year Ended June 30, 2023

	First Six Month Period Ended <u>12/31/2022</u>	First Six Month Period Ended <u>6/30/2023</u>
<b>Receipts From:</b>		
Leesville City Court, Criminal Fines	\$ 48,607	\$ 49,684
Leesville City Court, Court Assessed Costs/Fees	10,692	13,503
Leesville Marshals Office, Criminal Fines	3,130	-
Leesville Marshals Office, Court Assessed Costs/Fees	490	770
City of Leesville Prosecutors Office, Pre-Trial Intervention Fees	4,500	5,000
Leesville City Court, Other, Witness Fees	18,605	22,927
Leesville Marshals Office, Other, Witness Fees	200	1,750
Vernon Parish Police Jury, Other, Witness Fees	<u>350</u>	<u>100</u>
 Total	 <u>86,574</u>	 <u>93,734</u>
 Ending balance of amounts assessed but not received	 <u>\$ -</u>	 <u>\$ -</u>

**INTERNAL CONTROL, COMPLIANCE  
AND OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 20, 2023.

### Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.



## **Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

### **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 20, 2023

# 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

#### *Opinion on 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, 2023. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**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 20, 2023

CITY OF LEESVILLE, LOUISIANA

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program Name	Assistance Listing 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>13,887</u>
<u>U.S. Department of Transportation</u>		
Airport Improvement Program	20.106	605,778
Airport Improvement Program - COVID-19	20.106	<u>30,940</u>
Total Assistance Listing No. 20.106		636,718
Passed-through State of Louisiana Department of Public Safety and Corrections - Louisiana Highway Safety Commission		
Alcohol Open Container Requirements	20.607	4,228
State and Community Highway Safety	20.600	<u>2,480</u>
Total U.S. Department of Transportation		<u>643,426</u>
<u>U.S. Department of Treasury</u>		
Passed-through State of Louisiana Division of Administration		
Coronavirus State and Local Fiscal Recovery Funds - COVID-19 *	21.027	<u>1,036,903</u>
TOTAL FEDERAL EXPENDITURES		<u>\$1,694,216</u>

\* Indicates major program

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, 2023

(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, 2023. 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 -

General Fund	\$ 30,940
Special Revenue Funds	6,708
Capital Projects Funds	605,778

Proprietary Fund Type -

Sewer Fund	1,036,903
Water Fund	13,887

Total	<u>\$ 1,694,216</u>
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(4) Subrecipients

The City provided no federal awards to subrecipients.

CITY OF LEESVILLE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards (Continued)  
Year Ended June 30, 2023

(5) Loan Balance

Loan balance outstanding at June 30, 2023 under the Capitalization Grants for Drinking Water State Revolving Funds (66.468) was \$2,756,000.





CITY OF LEESVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2023

Part II. Findings reported in accordance with *Government Auditing Standards*

A. Internal Control over Financial Reporting –

No findings reported under this section

B. Compliance –

No findings reported under this section.

C. Management Letter –

No findings reported under this section.

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

No findings reported under this section.

**CITY OF LEESVILLE, LOUISIANA**

**Statewide Agreed-Upon Procedures Report**

**Year Ended June 30, 2023**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Rick Allen, Mayor  
and members of the City Council of the  
City of Leesville, Louisiana  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The City of Leesville, Louisiana's management is responsible for those C/C areas identified in the SAUPs.

The City of Leesville, Louisiana has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***1) Written Policies and Procedures***

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

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

## ***2) Board or Finance Committee***

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

### ***3) Bank Reconciliations***

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

### ***4) Collections (excluding electronic funds transfers)***

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- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash checks money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees responsible for cash collections do not share cash drawers registers;
  - ii. Each employee responsible for collecting cash is not responsible for preparing making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

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

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



## ***6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)***

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and
  - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials such as the mayor of a Lawrason Act municipality, should not be reported; and
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

## ***7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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

## **8) Contracts**

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

## **9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.



### ***10) Ethics***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

### ***11) Debt Service***

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

### ***12) Fraud Notice***

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523
- B. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

### ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures.
  - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week (b) was not stored on the government's local server or network, and (c) was encrypted.
  - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

#### ***14) Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period. Observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
  - i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

#### ***Exceptions:***

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

#### **Collections (excluding electronic fund transfers):**

- 1. For the collection location: Leesville City Hall -- Employees responsible for collecting cash post collection entries to the general ledger or subsidiary ledger. However, another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

***Management's response:*** The City has assigned an employee, other than the one responsible for collecting cash and posting collection entries to the general ledger or subsidiary ledger, to reconcile ledger postings to each other and to the deposit as a compensating control

***Exceptions (continued):***

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2. For the collection location: Leesville Police Department –
  - A) Employees responsible for collecting cash are also responsible for preparing/making bank deposits. However, another employee/official is responsible for reconciling collection documentation to the deposit.
  - B) Employees responsible for collecting cash post collection entries to the general ledger or subsidiary ledger. However, another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - C) Employees responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are also responsible for collecting cash. However, another employee is responsible for verifying the reconciliation.

***Management's response:*** As compensating control, the City has assigned an employee, other than the one responsible for collecting cash and making the bank deposits, to reconcile the collection documentation; has assigned an employee, other than the one responsible for collecting cash and posting collection entries to the general ledger or subsidiary ledger, to reconcile ledger postings to each other and to the deposit; and has assigned an employee, other than the one responsible for reconciling cash collections, to verify the reconciliations.

***Management's Response***

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Management of the City of Leesville, Louisiana concurs with the exceptions and are working to address the deficiencies identified.

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

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

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
November 20, 2023