

CITY OF LEESVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Leesville, Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Leesville, Louisiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Leesville, Louisiana, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, 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 52 - 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

The prior year comparative information on the combining and comparative statements has been derived from the City of Leesville, Louisiana's 2018 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements from which they were derived.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated December 5, 2019, on our consideration of the City of Leesville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Leesville, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Leesville, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 5, 2019

BASIC FINANCIAL STATEMENTS

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

CITY OF LEESVILLE, LOUISIANA

Statement of Net Position
June 30, 2019

ASSETS	Governmental Activities	Business-Type Activities	Total
Current assets:			
Cash and interest-bearing deposits	\$ 2,729,550	\$ 60,919	\$ 2,790,469
Receivables, net	486,447	331,346	817,793
Due from other governmental agencies	741,585	1,437,487	2,179,072
Inventories	180,498	-	180,498
Other assets	61,536	14,214	75,750
Total current assets	<u>4,199,616</u>	<u>1,843,966</u>	<u>6,043,582</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	94,863	1,168,044	1,262,907
Capital assets:			
Land and construction in progress	331,296	1,515,708	1,847,004
Capital assets, net	<u>15,485,205</u>	<u>16,115,482</u>	<u>31,600,687</u>
Total noncurrent assets	<u>15,911,364</u>	<u>18,799,234</u>	<u>34,710,598</u>
Total assets	<u>20,110,980</u>	<u>20,643,200</u>	<u>40,754,180</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	<u>1,848,370</u>	<u>199,781</u>	<u>2,048,151</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	249,894	516,502	766,396
Interest payable	16,361	26	16,387
Advance fuel sales	22,181	-	22,181
Internal balances	2,107,401	(2,107,401)	-
Customer deposits payable	-	230,717	230,717
Bonds, notes, and leases due within one year	<u>570,910</u>	<u>400,211</u>	<u>971,121</u>
Total current liabilities	<u>2,966,747</u>	<u>(959,945)</u>	<u>2,006,802</u>
Noncurrent liabilities:			
Compensated absences payable	295,286	44,169	339,455
Bonds, notes, and leases due after one year	2,421,382	4,535,400	6,956,782
OPEB obligation payable	1,195,994	256,284	1,452,278
Net pension liability	<u>4,738,561</u>	<u>620,964</u>	<u>5,359,525</u>
Total noncurrent liabilities	<u>8,651,223</u>	<u>5,456,817</u>	<u>14,108,040</u>
Total liabilities	<u>11,617,970</u>	<u>4,496,872</u>	<u>16,114,842</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	<u>660,798</u>	<u>37,971</u>	<u>698,769</u>
NET POSITION			
Net investment in capital assets	13,058,696	13,683,123	26,741,819
Restricted for debt service	612,809	-	612,809
Restricted for capital projects	1,007,119	-	1,007,119
Unrestricted (deficit)	<u>(4,998,042)</u>	<u>2,625,015</u>	<u>(2,373,027)</u>
Total net position	<u>\$ 9,680,582</u>	<u>\$ 16,308,138</u>	<u>\$ 25,988,720</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, 2019

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,376,861	\$ 461,298	\$ -	\$ -	\$ (915,563)	\$ -	\$ (915,563)
Public safety	4,322,911	301,782	269,858	-	(3,751,271)	-	(3,751,271)
Public works	1,408,815	-	9,190	-	(1,399,625)	-	(1,399,625)
Economic development	587,871	205,569	-	212,190	(170,112)	-	(170,112)
Culture and recreation	568,708	15,244	-	836,564	283,100	-	283,100
Interest on long-term debt	111,625	-	-	-	(111,625)	-	(111,625)
Total governmental activities	<u>8,376,791</u>	<u>983,893</u>	<u>279,048</u>	<u>1,048,754</u>	<u>(6,065,096)</u>	<u>-</u>	<u>(6,065,096)</u>
Business-type activities:							
Sewer	1,193,125	775,435	-	152,583	-	(265,107)	(265,107)
Water	1,257,153	1,348,149	-	317,412	-	408,408	408,408
Fort Polk Vegetation Control	2,010,093	2,942,827	-	-	-	932,734	932,734
Total business-type activities	<u>4,460,371</u>	<u>5,066,411</u>	<u>-</u>	<u>469,995</u>	<u>-</u>	<u>1,076,035</u>	<u>1,076,035</u>
Total	<u>\$ 12,837,162</u>	<u>\$ 6,050,304</u>	<u>\$ 279,048</u>	<u>\$ 1,518,749</u>	<u>(6,065,096)</u>	<u>1,076,035</u>	<u>(4,989,061)</u>
General revenues:							
Taxes -							
Ad valorem taxes, levied for general maintenance					213,645	-	213,645
Ad valorem taxes, levied for street improvements					420,465	-	420,465
Ad valorem taxes, levied for sewer system					-	121,799	121,799
Sales and use taxes, levied for public works and recreation					2,909,515	-	2,909,515
Sales and use taxes, levied for public safety					1,433,045	-	1,433,045
Franchise taxes					547,134	-	547,134
Grants and contributions not restricted to specific programs -							
State sources					20,271	-	20,271
Interest and investment earnings					17,992	1,479	19,471
Nonemployer pension contribution					137,280	14,876	152,156
Miscellaneous					149,733	5,201	154,934
Transfers					1,125,000	(1,125,000)	-
Total general revenues and transfers					<u>6,974,080</u>	<u>(981,645)</u>	<u>5,992,435</u>
Change in net position					908,984	94,390	1,003,374
Net position - July 1, 2018					<u>8,771,598</u>	<u>16,213,748</u>	<u>24,985,346</u>
Net position - June 30, 2019					<u>\$ 9,680,582</u>	<u>\$ 16,308,138</u>	<u>\$ 25,988,720</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 - Polk (USAG-Polk) and the City of Leesville, Louisiana. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service,

CITY OF LEESVILLE, LOUISIANA

Balance Sheet - Governmental Funds
June 30, 2019

	General	Sales Tax	Public Safety	Other Governmental	Total
ASSETS					
Cash and interest-bearing deposits	\$ 226,484	\$ 2,051,857	\$ -	\$ 451,209	\$ 2,729,550
Receivables -					
Due from other funds	981,936	-	-	539,769	1,521,705
Due from other governmental agencies	5,400	-	3,013	733,172	741,585
Other	115,023	248,854	122,570	-	486,447
Prepaid items	28,748	8,607	24,181	-	61,536
Inventories	180,498	-	-	-	180,498
Restricted cash and interest-bearing deposits	-	-	-	94,863	94,863
Total assets	<u>\$ 1,538,089</u>	<u>\$ 2,309,318</u>	<u>\$ 149,764</u>	<u>\$ 1,819,013</u>	<u>\$ 5,816,184</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 21,793	\$ 11,026	\$ 17,476	\$ -	\$ 50,295
Accrued liabilities	87,489	5,579	43,834	-	136,902
Contracts and retainage payable	-	-	-	62,697	62,697
Due to other funds	954,981	1,802,051	826,917	45,157	3,629,106
Advance fuel sales	22,181	-	-	-	22,181
Total liabilities	<u>1,086,444</u>	<u>1,818,656</u>	<u>888,227</u>	<u>107,854</u>	<u>3,901,181</u>
Fund balances -					
Nonspendable	209,246	8,607	24,181	-	242,034
Restricted for debt service	-	-	-	629,170	629,170
Restricted for capital projects	-	-	-	1,027,621	1,027,621
Committed	-	482,055	-	-	482,055
Unassigned (deficit)	242,399	-	(762,644)	54,368	(465,877)
Total fund balances	<u>451,645</u>	<u>490,662</u>	<u>(738,463)</u>	<u>1,711,159</u>	<u>1,915,003</u>
Total liabilities and fund balances	<u>\$ 1,538,089</u>	<u>\$ 2,309,318</u>	<u>\$ 149,764</u>	<u>\$ 1,819,013</u>	<u>\$ 5,816,184</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, 2019

Total fund balances for governmental funds at June 30, 2019		\$ 1,915,003
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	42,270	
Buildings and improvements, net of \$6,240,132 accumulated depreciation	5,518,721	
Infrastructure, net of \$18,313,169 accumulated depreciation	9,543,820	
Equipment and vehicles, net of \$5,424,684 accumulated depreciation	<u>422,664</u>	15,816,501
The deferred outflows of contributions to the retirement system are not available resources, and therefore, are not reported in the funds.		
		1,848,370
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	(295,286)	
Bonds payable	(1,087,000)	
Certificates of indebtedness	(1,381,000)	
Capital leases	(524,292)	
Accrued interest payable	(16,361)	
Other post employment benefits	(1,195,994)	
Net pension liability	<u>(4,738,561)</u>	(9,238,494)
The deferred inflows of contributions to the retirement system are not payable from current expendable resources and, therefore are not reported in the funds.		
		<u>(660,798)</u>
Total net position of governmental activities at June 30, 2019		<u>\$ 9,680,582</u>

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

CITY OF LEESVILLE, LOUISIANA

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	General	Sales Tax	Public Safety	Other Governmental	Total
Revenues:					
Taxes -					
Ad valorem	\$ 213,645	\$ -	\$ -	\$ 420,465	\$ 634,110
Sales	-	2,909,515	1,433,045	-	4,342,560
Franchise	547,134	-	-	-	547,134
Licenses and permits	461,298	-	-	-	461,298
Intergovernmental	31,981	-	269,858	1,046,234	1,348,073
Fines and forfeits	-	-	160,970	-	160,970
Charges for services	205,569	15,244	140,812	-	361,625
Miscellaneous	93,161	49,164	17,847	7,553	167,725
Total revenues	<u>1,552,788</u>	<u>2,973,923</u>	<u>2,022,532</u>	<u>1,474,252</u>	<u>8,023,495</u>
Expenditures:					
Current:					
General government	1,089,519	175,050	7,750	-	1,272,319
Public safety	-	-	3,925,966	-	3,925,966
Public works	1,104,959	-	-	10,405	1,115,364
Economic development	215,958	-	-	-	215,958
Culture and recreation	-	426,446	-	-	426,446
Debt service	68,398	7,659	79,342	622,159	777,558
Capital outlay	800,540	35,805	26,689	1,071,702	1,934,736
Total expenditures	<u>3,279,374</u>	<u>644,960</u>	<u>4,039,747</u>	<u>1,704,266</u>	<u>9,668,347</u>
Excess (deficiency) of revenues over expenditures	<u>(1,726,586)</u>	<u>2,328,963</u>	<u>(2,017,215)</u>	<u>(230,014)</u>	<u>(1,644,852)</u>
Other financing sources (uses):					
Proceeds from issuance of debt	675,000	-	-	-	675,000
Proceeds from capital lease	113,211	28,201	-	-	141,412
Transfers in	935,000	-	2,335,000	216,225	3,486,225
Transfers out	(4,000)	(2,357,225)	-	-	(2,361,225)
Total other financing sources (uses)	<u>1,719,211</u>	<u>(2,329,024)</u>	<u>2,335,000</u>	<u>216,225</u>	<u>1,941,412</u>
Net changes in fund balances	(7,375)	(61)	317,785	(13,789)	296,560
Fund balances (deficit), beginning	<u>459,020</u>	<u>490,723</u>	<u>(1,056,248)</u>	<u>1,724,948</u>	<u>1,618,443</u>
Fund balances (deficit), ending	<u>\$ 451,645</u>	<u>\$ 490,662</u>	<u>\$ (738,463)</u>	<u>\$ 1,711,159</u>	<u>\$ 1,915,003</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, 2019

Total net changes in fund balances for the year ended June 30, 2019 per the statement of revenues, expenditures and changes in fund balances \$ 296,560

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	\$ 1,875,463	
Depreciation expense for the year ended June 30, 2019	<u>(889,646)</u>	985,817

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.

Proceeds from issuance of debt received	(816,412)	
Repayment of long-term debt	<u>659,805</u>	(156,607)

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	43,555	
Accrued interest	6,128	
OPEB obligation	(30,205)	
Net pension liability	<u>(236,264)</u>	<u>(216,786)</u>

Total changes in net position for the year ended June 30, 2019 per the statement of activities \$ 908,984

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

CITY OF LEESVILLE, LOUISIANA

Statement of Net Position - Proprietary Funds
June 30, 2019

	Business -Type Activities - Enterprise Funds			
	Sewer	Water	Fort Polk Vegetation Control	Total
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 60,919	\$ -	\$ -	\$ 60,919
Receivables:				
Accounts, net	132,655	198,691	-	331,346
Due from other funds	832,613	1,517,194	-	2,349,807
Due from other governmental agencies	-	1,187,668	249,819	1,437,487
Prepaid items	5,247	5,247	3,720	14,214
Total current assets	<u>1,031,434</u>	<u>2,908,800</u>	<u>253,539</u>	<u>4,193,773</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	-	1,168,044	-	1,168,044
Land and construction in progress	119,876	1,395,832	-	1,515,708
Capital assets, net of accumulated depreciation	9,269,807	6,032,348	813,327	16,115,482
Total noncurrent assets	<u>9,389,683</u>	<u>8,596,224</u>	<u>813,327</u>	<u>18,799,234</u>
Total assets	<u>10,421,117</u>	<u>11,505,024</u>	<u>1,066,866</u>	<u>22,993,007</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	<u>107,978</u>	<u>83,711</u>	<u>8,092</u>	<u>199,781</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts and other payables	4,782	380,101	131,619	516,502
Due to other funds	25,346	111,904	105,156	242,406
Capital lease	5,238	5,238	189,518	199,994
Note payable	-	50,217	-	50,217
Accrued interest payable	13	13	-	26
Total	<u>35,379</u>	<u>547,473</u>	<u>426,293</u>	<u>1,009,145</u>
Current liabilities (payable from restricted assets):				
Customer deposits payable	-	230,717	-	230,717
Revenue bonds	-	150,000	-	150,000
Total	<u>-</u>	<u>380,717</u>	<u>-</u>	<u>380,717</u>
Total current liabilities	<u>35,379</u>	<u>928,190</u>	<u>426,293</u>	<u>1,389,862</u>
Noncurrent liabilities:				
Compensated absences payable	30,680	12,685	804	44,169
OPEB obligation payable	142,380	56,952	56,952	256,284
Net pension liability	331,766	282,927	6,271	620,964
Revenue bonds payable	-	3,930,000	-	3,930,000
Capital lease	1,773	1,773	566,405	569,951
Note payable	-	35,449	-	35,449
Total noncurrent liabilities	<u>506,599</u>	<u>4,319,786</u>	<u>630,432</u>	<u>5,456,817</u>
Total liabilities	<u>541,978</u>	<u>5,247,976</u>	<u>1,056,725</u>	<u>6,846,679</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	<u>20,123</u>	<u>14,944</u>	<u>2,904</u>	<u>37,971</u>
NET POSITION				
Net investment in capital assets	9,382,672	4,243,047	57,404	13,683,123
Unrestricted (deficit)	584,322	2,082,768	(42,075)	2,625,015
Total net position	<u>\$ 9,966,994</u>	<u>\$ 6,325,815</u>	<u>\$ 15,329</u>	<u>\$ 16,308,138</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, 2019

	Business -Type Activities - Enterprise Funds			
	Sewer	Water	Fort Polk Vegetation Control	Total
Operating revenues:				
Charges for services	\$ 775,435	\$ 1,348,149	\$ 2,942,827	\$ 5,066,411
Miscellaneous	-	5,099	102	5,201
Total operating revenues	<u>775,435</u>	<u>1,353,248</u>	<u>2,942,929</u>	<u>5,071,612</u>
Operating expenses:				
Salaries	274,143	196,436	113,051	583,630
Employee benefits	22,622	16,429	18,788	57,839
OPEB expense	3,595	1,438	1,438	6,471
Pension expense (benefit)	60,344	44,465	8,514	113,323
Operating supplies	30,113	155,105	195,058	380,276
Vehicle expense	17,237	35,384	93,082	145,703
Utilities and communications	129,489	177,013	2,212	308,714
Insurance	74,362	104,343	44,710	223,415
Legal and other professional	14,095	21,060	9,355	44,510
Repairs and maintenance	53,382	63,736	56,952	174,070
Contracted services	-	-	1,301,254	1,301,254
Bad debt	32,925	51,464	-	84,389
Miscellaneous	59,365	1,208	-	60,573
Depreciation	421,052	306,459	130,643	858,154
Total operating expenses	<u>1,192,724</u>	<u>1,174,540</u>	<u>1,975,057</u>	<u>4,342,321</u>
Operating income (loss)	<u>(417,289)</u>	<u>178,708</u>	<u>967,872</u>	<u>729,291</u>
Nonoperating revenues (expenses):				
Interest income	255	1,224	-	1,479
Ad valorem taxes	121,799	-	-	121,799
Nonemployer pension contribution	7,860	5,630	1,386	14,876
Interest expense	(401)	(82,613)	(35,036)	(118,050)
Total nonoperating revenues (expenses)	<u>129,513</u>	<u>(75,759)</u>	<u>(33,650)</u>	<u>20,104</u>
Income (loss) before contributions and transfers	<u>(287,776)</u>	<u>102,949</u>	<u>934,222</u>	<u>749,395</u>
Capital Contributions	152,583	317,412	-	469,995
Transfers out	-	(225,000)	(900,000)	(1,125,000)
Change in net position	<u>(135,193)</u>	<u>195,361</u>	<u>34,222</u>	<u>94,390</u>
Net position (deficit), beginning	<u>10,102,187</u>	<u>6,130,454</u>	<u>(18,893)</u>	<u>16,213,748</u>
Net position, ending	<u>\$ 9,966,994</u>	<u>\$ 6,325,815</u>	<u>\$ 15,329</u>	<u>\$ 16,308,138</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, 2019

	Business-Type Activities - Enterprise Funds			
	Sewer	Water	Fort Polk Vegetation Control	Total
Cash flows from operating activities:				
Receipts from customers	\$ 802,783	\$ 1,423,954	\$ 2,877,228	\$ 2,226,737
Payments to suppliers	(426,205)	(244,207)	(1,573,272)	(670,412)
Payments to employees	(330,594)	(234,632)	(141,440)	(565,226)
Other receipts	-	5,099	102	5,099
Net cash provided by operating activities	<u>45,984</u>	<u>950,214</u>	<u>1,162,618</u>	<u>996,198</u>
Cash flows from noncapital financing activities:				
Net increase in customer meter deposits	-	1,655	-	1,655
Transfers from (to) other funds	<u>(144,799)</u>	<u>116,334</u>	<u>(934,537)</u>	<u>(28,465)</u>
Net cash provided (used) by noncapital financing activities	<u>(144,799)</u>	<u>117,989</u>	<u>(934,537)</u>	<u>(26,810)</u>
Cash flows from capital and related financing activities:				
Net proceeds from (principal paid) on bonds and notes payable	(5,016)	(290,233)	15,204	(295,249)
Interest and fiscal charges paid on revenue bonds	(420)	(94,951)	(35,036)	(95,371)
Proceeds from ad valorem taxes	121,799	-	-	121,799
Proceeds from grants	152,583	915,549	-	1,068,132
Acquisition of property, plant and equipment	<u>(171,786)</u>	<u>(1,354,206)</u>	<u>(208,249)</u>	<u>(1,525,992)</u>
Net cash provided (used) by capital and related financing activities	<u>97,160</u>	<u>(823,841)</u>	<u>(228,081)</u>	<u>(726,681)</u>
Cash flows from investing activities:				
Interest earned	<u>255</u>	<u>1,224</u>	<u>-</u>	<u>1,479</u>
Net increase (decrease) in cash and cash equivalents	(1,400)	245,586	-	244,186
Cash and cash equivalents, beginning of period	<u>62,319</u>	<u>922,458</u>	<u>-</u>	<u>984,777</u>
Cash and cash equivalents, end of period	<u>\$ 60,919</u>	<u>\$ 1,168,044</u>	<u>\$ -</u>	<u>\$ 1,228,963</u>
Supplemental data:				
Bonds payable forgiven	<u>\$ -</u>	<u>\$ 229,202</u>	<u>\$ -</u>	<u>\$ 229,202</u>

(continued)

CITY OF LEESVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Funds (Continued)
 For the Year Ended June 30, 2019

	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)	\$(417,289)	\$ 178,708	\$ 967,872	\$ (238,581)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	421,052	306,459	130,643	727,511
Amortization	-	-	-	-
Pension expense	26,059	19,913	2,469	45,972
OPEB expense	3,595	1,438	1,438	5,033
Changes in current assets and liabilities:				
Decrease in accounts receivable	27,348	75,805	(65,599)	103,153
Increase in prepaid items	(2,129)	(2,129)	(674)	(4,258)
Increase (decrease) in accounts payable	(13,184)	368,016	129,095	354,832
Increase in compensated absences payable	532	2,004	(2,626)	2,536
Net cash provided by operating activities	<u>\$ 45,984</u>	<u>\$ 950,214</u>	<u>\$ 1,162,618</u>	<u>\$ 996,198</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	\$ 62,319	\$ -	\$ -	\$ 62,319
Cash and interest-bearing deposits - restricted	-	922,458	-	922,458
Total cash and cash equivalents, beginning of period	<u>62,319</u>	<u>922,458</u>	<u>-</u>	<u>984,777</u>
Cash and cash equivalents, end of period -				
Cash and interest-bearing deposits - unrestricted	\$ 60,919	\$ -	\$ -	60,919
Cash and interest-bearing deposits - restricted	-	1,168,044	-	1,168,044
Total cash and cash equivalents, end of period	<u>60,919</u>	<u>1,168,044</u>	<u>-</u>	<u>1,228,963</u>
Net increase (decrease)	<u>\$ (1,400)</u>	<u>\$ 245,586</u>	<u>\$ -</u>	<u>\$ 244,186</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 6,077.

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.

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.

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. 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.

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.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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. 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.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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 \$538,416 at June 30, 2019. 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.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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, 2019 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.

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:

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category, the deferred outflow of resources attributable to its pension plans. The City reported deferred outflows of resources of \$2,048,151 at June 30, 2019.

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 only one item that qualifies for reporting in this category, the deferred inflow of resources attributable to its pension plans. The City reported deferred inflows of resources of \$698,769 at June 30, 2019.

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. 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. At June 30, 2019, the City reported \$1,619,928 of restricted net position, none of which was restricted by enabling legislation.
- c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Revenues

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

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

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

Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

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

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Interfund Transfers

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

F. Revenue Restrictions

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

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

G. Management Estimates

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

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

For the year ended June 30, 2019, taxes of 17.85 mills were levied on property with assessed valuations totaling \$42,696,860 and were dedicated as follows:

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

Total taxes levied were \$762,157. Taxes receivable at June 30, 2019 totaled \$8,204.

(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 (2019 collections \$2,909,515) 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 (2019 collections \$1,433,045) 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, 2019, the City had cash and interest-bearing deposits (book balances) totaling \$4,053,376 as follows

Demand deposits	\$ 262,637
Money market accounts	3,575,782
Time deposits	<u>214,957</u>
Total	<u>\$ 4,053,376</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, 2019, are secured as follows:

Bank balances	<u>\$ 4,467,508</u>
Federal deposit insurance	\$ 523,502
Pledged securities	<u>3,944,006</u>
Total	<u>\$ 4,467,508</u>

Deposits in the amount of \$3,944,006 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, 2019 of \$817,793 consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts, net	\$ -	\$ 195,523	\$ 195,523
Unbilled utility	-	135,823	135,823
Ad valorem tax	8,204	-	8,204
Sales tax	371,424	-	371,424
Franchise tax	96,435	-	96,435
Other	10,384	-	10,384
Totals	<u>\$ 486,447</u>	<u>\$ 331,346</u>	<u>\$ 817,793</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units of \$2,179,072 at June 30, 2019 consist of the following:

Governmental activities:

State of Louisiana - beer tax revenues receivable	\$ 5,400
State of Louisiana - Louisiana Commission on Law Enforcement and Administration of Criminal Justice - Violence Against Women grant	3,013
State of Louisiana Division of Administration - Facility Planning and Control - Street Rehabilitation grant	651,754
State of Louisiana - Louisiana Department of Transportation and Development - Airport Improvement grants	56,565
Federal Aviation Administration - Airport Improvement Program grant	24,853

Business-type activities:

United States Army Garrison - Polk	249,819
State of Louisiana - Department of Health and Hospitals	1,187,668
Total	<u>\$ 2,179,072</u>

(7) Restricted Assets

Restricted assets consist of the following at June 30, 2019:

Governmental activities:

Construction	\$ 94,863
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Business-type activities:

Customer deposits	230,717
Revenue bond reserve and sinking funds	937,327
Total restricted assets	<u>\$ 1,262,907</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2019 is as follows:

	Balance 07/01/18	Additions	Deletions	Balance 06/30/19
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 289,026	\$ -	\$ -	\$ 289,026
Construction in progress	1,122,833	1,042,859	2,123,422	42,270
Other capital assets:				
Buildings and improvements	11,108,452	650,401	-	11,758,853
Equipment and vehicles	5,699,331	149,211	1,194	5,847,348
Infrastructure	25,700,575	2,156,414	-	27,856,989
Totals	<u>43,920,217</u>	<u>3,998,885</u>	<u>2,124,616</u>	<u>45,794,486</u>
Less accumulated depreciation				
Buildings and improvements	5,969,431	270,701	-	6,240,132
Equipment and vehicles	5,242,935	182,943	1,194	5,424,684
Infrastructure	17,877,167	436,002	-	18,313,169
Total accumulated depreciation	<u>29,089,533</u>	<u>889,646</u>	<u>1,194</u>	<u>29,977,985</u>
Governmental activities, capital assets, net	<u>\$14,830,684</u>	<u>\$3,109,239</u>	<u>\$2,123,422</u>	<u>\$15,816,501</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 157,249	\$ -	\$ -	\$ 157,249
Construction in progress	23,661	1,532,799	198,001	1,358,459
Other capital assets:				
Plant and system	29,985,088	184,893	-	30,169,981
Equipment and vehicles	1,294,852	214,550	12,432	1,496,970
Totals	<u>31,460,850</u>	<u>1,932,242</u>	<u>210,433</u>	<u>33,182,659</u>
Less accumulated depreciation				
Plant and system	14,279,807	702,335	-	14,982,142
Equipment and vehicles	425,940	155,819	12,432	569,327
Total accumulated depreciation	<u>14,705,747</u>	<u>858,154</u>	<u>12,432</u>	<u>15,551,469</u>
Business-type activities, capital assets, net	<u>\$16,755,103</u>	<u>\$1,074,088</u>	<u>\$ 198,001</u>	<u>\$17,631,190</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 25,357
Public safety	136,679
Public works	208,565
Economic development	404,870
Culture and recreation	<u>114,175</u>
Total depreciation expense	<u>\$ 889,646</u>

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

Sewer	\$ 421,052
Water	306,459
Fort Polk Vegetation Control	<u>130,643</u>
Total depreciation expense	<u>\$ 858,154</u>

(9) Accounts and Other Payables

The accounts and other payables of \$766,396 at June 30, 2019 consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts payable	\$ 50,418	\$446,504	\$ 496,922
Salaries payable	69,338	10,361	79,699
Payroll tax and employee benefits payable	67,441	-	67,441
Contracts and retainage payable	<u>62,697</u>	<u>59,637</u>	<u>122,334</u>
Totals	<u>\$ 249,894</u>	<u>\$516,502</u>	<u>\$ 766,396</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, 2018 with the principal due at July 3, 2019. The City did not utilize this line of credit during the year. There was no balance due at June 30, 2019.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the City for the year ended June 30, 2019:

	Balance 07/01/18	Additions	Deletions	Balance 06/30/19	Amount due in one year
Long-term debt:					
Revenue bonds	\$ 5,154,203	\$ 675,000	\$ 662,203	\$ 5,167,000	\$ 410,000
General obligation bonds	165,000	-	165,000	-	-
Certificates of indebtedness	1,592,000	-	211,000	1,381,000	215,000
Note payable	135,883	-	50,217	85,666	50,217
Capital leases	1,233,457	331,090	270,310	1,294,237	295,904
Other liabilities:					
Compensated absences	383,100	-	43,645	339,455	-
	<u>\$ 8,663,643</u>	<u>\$ 1,006,090</u>	<u>\$ 1,402,375</u>	<u>\$ 8,267,358</u>	<u>\$ 971,121</u>

Bonds payable at June 30, 2019 are comprised of the following individual issues:

Governmental activities:

Certificates of indebtedness:

\$2,000,000 of Certificates of Indebtedness, Series 2016, due in annual installments of \$102,000 - \$247,000 through March 1, 2025; interest at 2.09 percent, secured by ad valorem tax collections \$ 1,381,000

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. 675,000

\$1,344,000 Sales Tax Refunding Bonds, Series 2013, due in annual installments of \$175,000 - \$209,000 through August 1, 2020; interest at 2.25 percent, secured by sales tax collections 412,000

Total bonds payable applicable to governmental activities \$ 2,468,000

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Business-type activities

Revenue bonds:

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

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

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

Capital leases payable at June 30, 2019 consist of the following:

	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>
Fire equipment	\$ 666,583	04/25/28	4.98%	\$ 356,009
Utility and public works vehicles	72,203	11/15/20	4.25%	21,033
Police vehicles	75,045	03/05/21	4.00%	44,849
Recreaton van	28,201	12/15/21	4.925%	20,881
Public works vehicle	49,380	08/05/23	4.125%	40,439
Public works equipment	63,831	09/17/23	4.275%	55,103
Maintenance equipment	950,000	03/27/23	4.39%	755,923
	<u>\$ 1,905,243</u>			<u>\$ 1,294,237</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Annual debt service requirements of bonds outstanding are as follows:

Year ending June 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	Principal payments	Interest payments	Principal payments	Interest payments	Principal payments	Interest payments
2020	\$ 475,000	\$ 59,619	\$ 115,000	\$ 87,733	\$ 590,000	\$ 147,352
2021	487,000	49,236	290,000	98,934	777,000	148,170
2022	287,000	40,951	301,000	88,159	588,000	129,110
2023	296,000	33,748	311,000	76,834	607,000	110,582
2024	306,000	26,298	177,000	68,499	483,000	94,797
2025 - 2029	617,000	43,362	982,000	260,427	1,599,000	303,789
2030 - 2034	-	-	1,904,000	105,258	1,904,000	105,258
Total	<u>\$ 2,468,000</u>	<u>\$ 253,214</u>	<u>\$ 4,080,000</u>	<u>\$ 785,844</u>	<u>\$ 6,548,000</u>	<u>\$ 1,039,058</u>

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 295,098	\$ 53,604	\$ 348,702
2021	291,481	40,449	331,930
2022	278,676	28,054	306,730
2023	229,079	15,571	244,650
2024	49,677	9,767	59,444
2025 - 2029	150,226	15,159	165,385
	<u>\$ 1,294,237</u>	<u>\$ 162,604</u>	<u>\$ 1,456,841</u>

Leased equipment and vehicles under capital leases included in capital assets at June 30, 2019 are as follows:

Equipment and vehicles	\$2,088,288
Less: Accumulated depreciation	(1,065,387)
Net	<u>\$1,022,901</u>

Depreciation of leased equipment and vehicles under capital leases in the amount of \$222,043 for the year ended June 30, 2019 is included in depreciation expense.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Notes Payable:

On July 23, 2003, the City entered into an agreement with the Louisiana Department of Transportation and Development for utility relocation assistance funding. Issuance of future permits to the City by the Louisiana Department of Transportation and Development for location of additional longitudinal facilities within any state owned right of way is contingent upon repayment of this funding. The City must show a good faith effort to repay the debt by making annual payments to the Department of Transportation and Development of 5% of its gross income or 10% of its outstanding utility relocation assistance funding debt. The first payment must be made within one year of the date of invoicing to the City by the Department of Transportation and Development, and issuance of permits will remain suspended until the first payment is made. The City's payments are due by January 15th of each year. As of June 30, 2019, the City incurred \$535,778 in funding from this agreement. The relocation project was completed and had final inspection on July 13, 2010. The amount to be paid each year is determined by the Louisiana Department of Transportation and Development. This amount is invoiced to the City by the Louisiana Department of Transportation and Development. At June 30, 2019, the balance remaining on this note totaled \$85,666.

(12) Flow of Funds; Restrictions on Use

Business-type activities:

Water Fund –

Water Improvement Bond, Series 2007

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

During the year ended June 30, 2019, the monthly sinking fund transfers were made as required by the agreement.

Public Improvement Bonds, Series 2013

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

During the year ended June 30, 2019, the monthly sinking, reserve, and depreciation and contingency fund transfers were made as required by the agreement.

Governmental Activities:

Sales Tax Refunding Bonds, Series 2013

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

During the year ended June 30, 2019, 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, 2019, the monthly sinking fund transfers were made as required by the agreement.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) Post Employment Health Care Benefits

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

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

Plan Membership: Plan membership was as follows:

Status	Single	Employee + Dependent Coverage	Total
Active	29	22	51
Retired	6	3	9
Total	35	25	60

The plan provides healthcare, dental, and vision benefits for retirees and their dependents. Generally, employees hired prior to August 15, 2017, who retire with 20 years of service are eligible for benefits. Coverage is also provided to spouses and eligible children.

Total OPEB Liability

The City’s total OPEB liability of \$1,452,278 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018.

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, 2018 actuarial valuation individual entry age normal cost method – level percentage of projected salary was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. The service cost was determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan’s benefit formula. This allocation is based on each participant’s service between date of hire and date of expected termination.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

2. The annual per capita dental cost is a level \$272.76, and the annual per capita vision cost is \$82.44. The average per capita claim cost determined as of June 30, 2018 is:

<u>Age</u>	<u>Medical</u>	<u>Age</u>	<u>Medical</u>
55	\$ 10,315	60	\$ 11,958
56	\$ 10,624	61	\$ 12,316
57	\$ 10,943	62	\$ 12,686
58	\$ 11,271	63	\$ 13,066
59	\$ 11,609	64	\$ 13,458

3. 100% of all retirees who currently have healthcare coverage will continue with the same coverage. 100% of all actives hired prior to August 15, 2017 who currently have coverage will continue with individual coverage upon retirement. 100% of all actives who currently have spouse coverage will continue with spouse coverage upon retirement. It is assumed that retirees hired on or after August 15, 2017 will not continue coverage.
4. Health care cost trends are level 5.50% for medical and level 2.00% for dental/vision.
5. Mortality rates were based on RPH-2014 Total Table with projection MP-2017.
6. Termination rates from the Louisiana Municipal Employees Retirement System (“MERS”) actuarial valuation report were used for non-public safety employees. Termination rates from the Louisiana Municipal Police Employees Retirement System (“MPERS”) actuarial valuation report were used for police employees and from the Louisiana Fireman Retirement System (“FRS”) actuarial valuation report for fire employees.
7. Salary increases were 3.5%.

Discount Rate: The discount rate used to measure the total OPEB liability was 3.88%. The discount rate was selected by reviewing the recently published Bond Buyer GO-20 bond index.

Changes in Actuarial Methods Since Prior Valuation: The actuarial cost method was updated from Projected Unit Cost Method to Individual Entry Age Normal Cost Method in accordance with GASB 75.

In addition to the actuarial method used, actuarial cost estimates depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment and retirement rates.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Changes in the Total OPEB Liability

Balance as of June 30, 2018	\$ 1,415,602
Changes for the year:	
Service cost	64,490
Interest cost	53,351
Benefit payments	<u>(81,165)</u>
Net change in total OPEB liability	<u>36,676</u>
Balance as of June 30, 2019	<u>\$ 1,452,278</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 (2.88%) or 1-percentage-point higher (4.88%) than the current discount rate:

	1% Decrease 2.88%	Current Discount Rate 3.88%	1% Increase 4.88%
Total OPEB Liability	<u>\$ 1,566,080</u>	<u>\$ 1,452,278</u>	<u>\$ 1,345,363</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1% Decrease 4.50%	Current Discount Rate 5.50%	1% Increase 6.50%
Total OPEB Liability	<u>\$ 1,299,920</u>	<u>\$ 1,452,278</u>	<u>\$ 1,631,637</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) Pension Plans

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

Plan Descriptions

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

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

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

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:

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

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

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

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Contributions

Article X, Section 29 (E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, MERS receives a percentage of ad valorem taxes collected parishes. Also, MPERS and FRS receive a percentage of insurance premium tax monies as additional employer contributions. These entities are not participating employers in the pension systems and are considered to be nonemployer contributing entities. Contributions of employers, and nonemployer contributing entities effective for the year ended June 30, 2019 for the defined benefit pension plans in which the City is a participating employer were as follows:

Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Amount from Nonemployer Contributing Entities	Amount of Government Contributions
MERS	5.00%	14.00%	\$ 50,013	\$ 218,122
MPERS	10.00%	32.25%	68,234	321,707
FRS	10.00%	26.50%	33,909	77,634

Net Pension Liability

The City's net pension liability at June 30, 2019 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plans' measurement date (June 30, 2018 for all plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers.

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

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
MERS	\$ 1,684,785	1.991868%	-0.107114%
MPERS	2,923,220	0.345777%	0.054936%
FRS	751,520	0.130652%	-0.026092%
Total	\$ 5,359,525		

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Since the measurement date of the net pension liability was June 30, 2018, 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	7/1/2009 - 6/30/2014	7/1/2009 - 6/30/2014	7/1/2009 - 6/30/2014
Expected remaining service lives	3	4	7
Inflation rate	2.600%	2.600%	2.700%
Investment rate of return	7.275%	7.200%	7.30%
Projected salary increases	5.00%	4.25% - 9.75%	4.75% - 15.0%
Projected benefit changes including COLAs	None	None	None
Source of mortality assumptions	(1), (2), (3)	(3), (4), (5)	(3), (6)

- (1) RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using Scale AA.
- (2) RP-2000 Employees Sex Distinct Table set back 2 years for both males and females.
- (3) RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females.
- (4) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table projected to 2029 using Scale AA set back 1 year for females.
- (5) RP-2000 Disabled Lives Mortality Table set back 4 years for males and set back 3 years for females.
- (6) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table projected to 2031 using Scale AA.
- (7) RP-2000 Healthy Annuitant Sex Distinct Mortality Tables projected to 2031 using Scale AA.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Cost of Living Adjustments

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

Discount Rate

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

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>
Discount rate	7.275%	7.20%	7.3%
Change in discount rate from prior valuation	-0.125%	-0.125%	-0.10%
Plan cash flow assumptions	(1)	(1)	(1)
Rates incorporated in the Discount Rate:			
Long-term Rate of Return	7.275%	7.20%	7.30%
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
		Return		Return		Return
Fixed Income	35%	1.50%	22%	0.46%	26%	1.76%
Equities	50%	2.20%	52%	3.58%	54%	6.78%
Alternative Investments	15%	0.60%	20%	1.07%	10%	4.60%
Other	-	-	6%	0.17%	10%	6.55%
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, 2019, the City Jury recognized \$1,030,934 in pension expense (benefit) related to all defined benefit plans in which it participates. MERS, MPERS, and FRS recognized revenues in the amount of \$152,156 in ad valorem taxes and insurance premium tax monies collected from nonemployer contributing entities

At June 30, 2019, 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	\$ 17,692	\$ 282,464
Changes of assumptions	306,503	119
Net difference between projected and actual earnings on pension plan investments	462,834	-
Change in proportion and differences between employer contributions and proportionate share of contributions	643,659	416,186
Employer contributions subsequent to the measurement date	<u>617,463</u>	<u>-</u>
Total	<u>\$ 2,048,151</u>	<u>\$ 698,769</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred outflows of resources of \$617,463 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Year Ended December 31</u>	<u>Net Amount Recognized in Pension Expense</u>
2020	\$ 529,207
2021	300,042
2022	(44,313)
2023	(22,504)
2024	(10,970)
Thereafter	<u>(19,543)</u>
	<u>\$ 731,919</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:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>Net Pension Liability</u>		
		<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
MERS	7.275%	\$ 2,211,074	\$ 1,684,785	\$ 1,237,393
MPERS	7.20%	4,107,933	2,923,220	1,929,291
FRS	7.30%	<u>1,096,646</u>	<u>751,520</u>	<u>461,496</u>
Total		<u>\$ 7,415,653</u>	<u>\$ 5,359,525</u>	<u>\$ 3,628,180</u>

Payables to Pension Plans

At June 30, 2019, the City did not have any amounts payable to the pension plans for the outstanding amount of contributions due to the Systems for the year.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(15) Employee Retirement – Deferred Compensation Plan

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

(16) Litigation and Claims

At June 30, 2019, 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, there are no claims and lawsuits which might result in a liability to the City which are not considered covered by insurance.

(17) Risk Management

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

(18) On-Behalf Payment of Salaries

The State of Louisiana paid the City's policemen and firemen \$220,850 of supplemental pay during the year ended June 30, 2019. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and Public Safety Special Revenue Fund financial statements.

(19) Deficit Fund Balance

The Public Safety Fund had a deficit fund balance at June 30, 2019 of \$738,463. This deficit will be eliminated by increasing revenues and/or reducing expenditures as well as transfers from other funds.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(20) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at June 30, 2019:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 981,936	\$ 954,981
Sales Tax Fund	-	1,802,051
Public Safety Fund	-	826,917
Non major governmental funds:		
Main Street Program	74,870	-
Sales Tax Sinking Fund	183,243	-
2002 Certificates of Indebtedness	-	13,386
2004 GOB Street Improvements	8,104	-
Airport Constsruction	-	31,771
Improvements Capital Projects	<u>273,552</u>	<u>-</u>
Total governmental funds	<u>1,521,705</u>	<u>3,629,106</u>
Proprietary funds:		
Sewer Fund	832,613	25,346
Water Fund	1,517,194	111,904
Fort Polk Vegetation Control	<u>-</u>	<u>105,156</u>
Total proprietary funds	<u>2,349,807</u>	<u>242,406</u>
Total	<u>\$ 3,871,512</u>	<u>\$ 3,871,512</u>

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

B. Transfers consisted of the following at June 30, 2019:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 935,000	\$ 4,000
Sales Tax Fund	-	2,357,225
Public Safety Fund	2,335,000	-
Non major governmental funds:		
Mainstreet Program Fund	4,000	-
Sales Tax Sinking Fund	<u>212,225</u>	<u>-</u>
Total governmental funds	<u>3,486,225</u>	<u>2,361,225</u>
Proprietary funds:		
Water Fund	-	225,000
Fort Polk Vegetation Control	<u>-</u>	<u>900,000</u>
Total proprietary funds	<u>-</u>	<u>1,125,000</u>
Total	<u>\$ 3,486,225</u>	<u>\$ 3,486,225</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

A detail of compensation, benefits, and other payments paid to Mayor Rick Allen for the year ended June 30, 2019 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 13,000
Car allowance	1,000
Per diem	54
Reimbursements	2,531
Conference travel	3,704
	<u>\$ 20,289</u>

(22) Compensation of City Officials

A detail of compensation paid to the Mayor and Council Members for the year ended June 30, 2019 follows:

Rick Allen, Mayor	\$ 13,000
Council Members:	
Willie Mae Kennedy	6,960
Nicole Ybarra	6,960
Christopher Robertson	6,960
Anthony Shapkoff	6,960
William Thomas	5,220
Linda Thomas	1,450
Alice F. Guess	6,960
Total	<u>\$ 54,470</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Taxes	\$ 867,012	\$ 868,260	\$ 760,779	\$(107,481)
Licenses and permits	418,200	438,270	461,298	23,028
Intergovernmental	34,190	31,982	31,981	(1)
Charges for services	152,400	204,697	205,569	872
Miscellaneous	70,225	85,122	93,161	8,039
Total revenues	<u>1,542,027</u>	<u>1,628,331</u>	<u>1,552,788</u>	<u>(75,543)</u>
Expenditures:				
Current:				
General government:				
General and administrative	781,832	925,440	942,577	(17,137)
Executive	78,807	112,577	103,339	9,238
Legal	46,812	43,018	43,603	(585)
Public works	1,221,253	1,106,412	1,104,959	1,453
Economic development	184,122	190,572	215,958	(25,386)
Debt service	-	-	68,398	(68,398)
Capital outlay	100,000	757,494	800,540	(43,046)
Total expenditures	<u>2,412,826</u>	<u>3,135,513</u>	<u>3,279,374</u>	<u>(143,861)</u>
Deficiency of revenues over expenditures	<u>(870,799)</u>	<u>(1,507,182)</u>	<u>(1,726,586)</u>	<u>(219,404)</u>
Other financing sources (uses):				
Proceeds from issuance of debt	-	677,162	675,000	(2,162)
Proceeds from capital lease	-	-	113,211	113,211
Transfers in	905,000	935,000	935,000	-
Transfers out	(4,000)	(4,000)	(4,000)	-
Total other financing sources (uses)	<u>901,000</u>	<u>1,608,162</u>	<u>1,719,211</u>	<u>111,049</u>
Net change in fund balance	30,201	100,980	(7,375)	(108,355)
Fund balance, beginning	<u>459,020</u>	<u>459,020</u>	<u>459,020</u>	<u>-</u>
Fund balance, ending	<u>\$ 489,221</u>	<u>\$ 560,000</u>	<u>\$ 451,645</u>	<u>\$ (108,355)</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,800,000	\$ 2,800,750	\$ 2,909,515	\$ 108,765
Charges for services	7,200	15,109	15,244	135
Miscellaneous	52,785	43,571	49,164	5,593
Total revenues	<u>2,859,985</u>	<u>2,859,430</u>	<u>2,973,923</u>	<u>114,493</u>
Expenditures:				
Current:				
General government	126,963	174,064	175,050	(986)
Culture and recreation	425,064	419,558	426,446	(6,888)
Debt service	-	-	7,659	(7,659)
Capital outlay	20,000	29,887	35,805	(5,918)
Total expenditures	<u>572,027</u>	<u>623,509</u>	<u>644,960</u>	<u>(21,451)</u>
Excess of revenues over expenditures	<u>2,287,958</u>	<u>2,235,921</u>	<u>2,328,963</u>	<u>93,042</u>
Other financing uses:				
Proceeds from capital lease	-	-	28,201	28,201
Transfers out	(2,257,862)	(2,222,225)	(2,357,225)	(135,000)
Total other financing sources (uses)	<u>(2,257,862)</u>	<u>(2,222,225)</u>	<u>(2,329,024)</u>	<u>(106,799)</u>
Net change in fund balance	30,096	13,696	(61)	(13,757)
Fund balance, beginning	<u>490,723</u>	<u>490,723</u>	<u>490,723</u>	<u>-</u>
Fund balance, ending	<u>\$ 520,819</u>	<u>\$ 504,419</u>	<u>\$ 490,662</u>	<u>\$ (13,757)</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,500,000	\$ 1,303,378	\$ 1,433,045	\$ 129,667
Intergovernmental	230,000	228,849	269,858	41,009
Charges for services	162,400	150,815	140,812	(10,003)
Fines and forfeitures	232,000	160,496	160,970	474
Miscellaneous	8,000	16,625	17,847	1,222
Total revenues	<u>2,132,400</u>	<u>1,860,163</u>	<u>2,022,532</u>	<u>162,369</u>
Expenditures:				
Current:				
General government	-	-	7,750	(7,750)
Public Safety:				
Police	2,827,177	2,846,650	2,863,474	(16,824)
Fire	1,159,543	1,071,850	956,030	115,820
City Court	100,420	107,140	106,462	678
Debt service	-	-	79,342	(79,342)
Capital outlay	70,000	81,500	26,689	54,811
Total expenditures	<u>4,157,140</u>	<u>4,107,140</u>	<u>4,039,747</u>	<u>67,393</u>
Deficiency of revenues over expenditures	(2,024,740)	(2,246,977)	(2,017,215)	229,762
Other financing sources (uses):				
Transfers in	<u>2,130,000</u>	<u>2,335,000</u>	<u>2,335,000</u>	<u>-</u>
Net change in fund balance	105,260	88,023	317,785	229,762
Fund balance (deficit), beginning	<u>(1,056,248)</u>	<u>(1,056,248)</u>	<u>(1,056,248)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (950,988)</u>	<u>\$ (968,225)</u>	<u>\$ (738,463)</u>	<u>\$ 229,762</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, 2019

	<u>2019</u>	<u>2018</u>
Service cost	\$ 64,490	\$ 62,081
Interest cost	53,351	54,390
Benefit payments	<u>(81,165)</u>	<u>(81,165)</u>
Net change in total OPEB liability	36,676	35,306
Total OPEB liability - beginning	<u>1,415,602</u>	<u>1,380,296</u>
Total OPEB liability - ending	<u>\$1,452,278</u>	<u>\$1,415,602</u>
Net OPEB liability	\$1,452,278	\$1,415,602
Covered-employee payroll	\$1,744,817	\$1,744,817
Total OPEB liability as a percentage of covered-employee payroll	83.23%	81.13%
Fiduciary Net Position	\$ -	\$ -
Funded Ratio	0.0%	0.0%

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, 2019 *

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System of Louisiana - Plan B:					
2019	1.991868%	\$1,684,785	\$1,476,518	114.1%	65.60%
2018	2.098982%	1,816,108	1,557,989	116.6%	63.49%
2017	1.936110%	1,604,858	1,371,725	117.0%	63.34%
2016	1.795844%	1,220,540	1,250,574	97.6%	68.71%
2015	1.775620%	833,647	1,253,098	66.5%	76.94%
Municipal Police Employees' Retirement System of Louisiana:					
2019	0.345777%	\$2,923,220	\$ 942,814	310.1%	71.89%
2018	0.290841%	2,539,165	866,705	293.0%	70.08%
2017	0.243255%	2,279,985	687,910	331.4%	66.04%
2016	0.222398%	1,742,256	596,959	291.9%	70.73%
2015	0.245436%	1,535,468	707,707	217.0%	75.10%
Firefighters' Retirement System of Louisiana:					
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, 2019

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

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

The accompanying notes are an integral part of this schedule.

CITY OF LEESVILLE, LOUISIANA

Notes to Required Supplementary Information

(1) Budget and Budgetary Accounting

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

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

(2) Excess of Expenditures Over Appropriations

The General Fund and Sales Tax Special Revenue Fund incurred expenditures in excess of appropriations totaling \$143,861 and \$21,451, respectively, for the year ended June 30, 2019.

(3) Other Post-Employment Benefits

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

Changes of Assumptions – There were no changes of assumptions and other inputs noted.

CITY OF LEESVILLE, LOUISIANA

Notes to Required Supplementary Information

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

(3) 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, 2019 for the various pension plans reflect the following changes used to measure the total pension liability:

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

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF LEEBSVILLE, LOUISIANA

Statement of Net Position
 June 30, 2019
 With Comparative Totals for June 30, 2018

	2019			2018 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 2,729,550	\$ 60,919	\$ 2,790,469	\$ 2,589,269
Receivables	486,447	331,346	817,793	969,588
Due from other governmental agencies	741,585	1,437,487	2,179,072	2,478,431
Inventories	180,498	-	180,498	168,820
Other assets	61,536	14,214	75,750	78,272
Total current assets	<u>4,199,616</u>	<u>1,843,966</u>	<u>6,043,582</u>	<u>6,284,380</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	94,863	1,168,044	1,262,907	1,916,342
Capital assets:				
Land and construction in progress	331,296	1,515,708	1,847,004	1,592,769
Capital assets, net	<u>15,485,205</u>	<u>16,115,482</u>	<u>31,600,687</u>	<u>29,993,018</u>
Total noncurrent assets	<u>15,911,364</u>	<u>18,799,234</u>	<u>34,710,598</u>	<u>33,502,129</u>
Total assets	<u>20,110,980</u>	<u>20,643,200</u>	<u>40,754,180</u>	<u>39,786,509</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	<u>1,848,370</u>	<u>199,781</u>	<u>2,048,151</u>	<u>1,971,717</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	249,894	516,502	766,396	707,774
Interest payable	16,361	26	16,387	34,872
Advance fuel sales	22,181	-	22,181	9,896
Internal balances	2,107,401	(2,107,401)	-	-
Customer deposits payable	-	230,717	230,717	229,062
Bonds, notes, and leases due within one year	<u>570,910</u>	<u>400,211</u>	<u>971,121</u>	<u>1,057,596</u>
Total current liabilities	<u>2,966,747</u>	<u>(959,945)</u>	<u>2,006,802</u>	<u>2,039,200</u>
Noncurrent liabilities:				
Compensated absences payable	295,286	44,169	339,455	383,100
Bonds, notes, and leases due after one year	2,421,382	4,535,400	6,956,782	7,222,947
OPEB obligation payable	1,195,994	256,284	1,452,278	1,415,602
Net pension liability	<u>4,738,561</u>	<u>620,964</u>	<u>5,359,525</u>	<u>5,253,706</u>
Total noncurrent liabilities	<u>8,651,223</u>	<u>5,456,817</u>	<u>14,108,040</u>	<u>14,275,355</u>
Total liabilities	<u>11,617,970</u>	<u>4,496,872</u>	<u>16,114,842</u>	<u>16,314,555</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	<u>660,798</u>	<u>37,971</u>	<u>698,769</u>	<u>458,325</u>
NET POSITION				
Net investment in capital assets	13,058,696	13,683,123	26,741,819	24,985,204
Restricted for debt service	612,809	-	612,809	595,770
Restricted for capital projects	1,007,119	-	1,007,119	1,031,354
Unrestricted (deficit)	<u>(4,998,042)</u>	<u>2,625,015</u>	<u>(2,373,027)</u>	<u>(1,626,982)</u>
Total net position	<u>\$ 9,680,582</u>	<u>\$16,308,138</u>	<u>\$25,988,720</u>	<u>\$24,985,346</u>

CITY OF LEESVILLE, LOUISIANA

Comparative Balance Sheet - Major Governmental Funds
June 30, 2019

	General		Sales Tax		Public Safety	
	2019	2018	2019	2018	2019	2018
ASSETS						
Cash and interest-bearing deposits	\$ 226,484	\$ 28,140	\$2,051,857	\$1,576,079	\$ -	\$ -
Receivables -						
Due from other funds	981,936	1,038,511	-	-	-	-
Due from other governmental agencies	5,400	5,400	-	-	3,013	-
Other	115,023	120,614	248,854	277,698	122,570	136,777
Prepaid items	28,748	51,076	8,607	4,177	24,181	13,737
Inventories	180,498	168,820	-	-	-	-
Total assets	<u>\$1,538,089</u>	<u>\$1,412,561</u>	<u>\$2,309,318</u>	<u>\$1,857,954</u>	<u>\$ 149,764</u>	<u>\$ 150,514</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 21,793	\$ 56,238	\$ 11,026	\$ 4,335	\$ 17,476	\$ 31,032
Accrued liabilities	87,489	17,876	5,579	4,397	43,834	33,503
Due to other funds	954,981	869,531	1,802,051	1,358,499	826,917	1,142,227
Advance fuel sales	22,181	9,896	-	-	-	-
Total liabilities	<u>1,086,444</u>	<u>953,541</u>	<u>1,818,656</u>	<u>1,367,231</u>	<u>888,227</u>	<u>1,206,762</u>
Fund balances -						
Nonspendable	209,246	219,896	8,607	4,177	24,181	13,737
Committed	-	-	482,055	486,546	-	-
Unassigned (deficit)	242,399	239,124	-	-	(762,644)	(1,069,985)
Total fund balances	<u>451,645</u>	<u>459,020</u>	<u>490,662</u>	<u>490,723</u>	<u>(738,463)</u>	<u>(1,056,248)</u>
Total liabilities and fund balances	<u>\$1,538,089</u>	<u>\$1,412,561</u>	<u>\$2,309,318</u>	<u>\$1,857,954</u>	<u>\$ 149,764</u>	<u>\$ 150,514</u>

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 867,012	\$ 868,260	\$ 760,779	\$(107,481)	\$ 696,417
Licenses and permits	418,200	438,270	461,298	23,028	488,628
Intergovernmental	34,190	31,982	31,981	(1)	65,391
Charges for services	152,400	204,697	205,569	872	142,382
Miscellaneous	70,225	85,122	93,161	8,039	87,873
Total revenues	<u>1,542,027</u>	<u>1,628,331</u>	<u>1,552,788</u>	<u>(75,543)</u>	<u>1,480,691</u>
Expenditures:					
Current:					
General government:					
General and administrative	781,832	925,440	942,577	(17,137)	880,473
Executive	78,807	112,577	103,339	9,238	75,376
Legal	46,812	43,018	43,603	(585)	42,529
Public works	1,221,253	1,106,412	1,104,959	1,453	1,099,894
Economic development	184,122	190,572	215,958	(25,386)	232,800
Debt service	-	-	68,398	(68,398)	86,603
Capital outlay	100,000	757,494	800,540	(43,046)	17,400
Total expenditures	<u>2,412,826</u>	<u>3,135,513</u>	<u>3,279,374</u>	<u>(143,861)</u>	<u>2,435,075</u>
Deficiency of revenues over expenditures	<u>(870,799)</u>	<u>(1,507,182)</u>	<u>(1,726,586)</u>	<u>(219,404)</u>	<u>(954,384)</u>
Other financing sources (uses):					
Proceeds from issuance of debt	-	677,162	675,000	(2,162)	80,000
Proceeds from capital lease	-	-	113,211	113,211	-
Transfers in	905,000	935,000	935,000	-	759,384
Transfers out	(4,000)	(4,000)	(4,000)	-	(2,500)
Total other financing sources (uses)	<u>901,000</u>	<u>1,608,162</u>	<u>1,719,211</u>	<u>111,049</u>	<u>836,884</u>
Net change in fund balance	30,201	100,980	(7,375)	(108,355)	(117,500)
Fund balance, beginning	<u>459,020</u>	<u>459,020</u>	<u>459,020</u>	<u>-</u>	<u>576,520</u>
Fund balance, ending	<u>\$ 489,221</u>	<u>\$ 560,000</u>	<u>\$ 451,645</u>	<u>\$(108,355)</u>	<u>\$ 459,020</u>

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 382,012	\$ 370,430	\$ 213,645	\$(156,785)	\$ 221,514
Franchise	485,000	497,830	547,134	49,304	474,903
Total taxes	<u>867,012</u>	<u>868,260</u>	<u>760,779</u>	<u>(107,481)</u>	<u>696,417</u>
Licenses and permits:					
Occupational licenses	400,000	424,889	445,572	20,683	467,165
Permits	18,200	13,381	15,726	2,345	21,463
Total licenses and permits	<u>418,200</u>	<u>438,270</u>	<u>461,298</u>	<u>23,028</u>	<u>488,628</u>
Intergovernmental:					
State of Louisiana -					
Beer taxes	25,000	20,272	20,271	(1)	19,805
Federal and state grants	9,190	11,710	11,710	-	45,586
Total intergovernmental	<u>34,190</u>	<u>31,982</u>	<u>31,981</u>	<u>(1)</u>	<u>65,391</u>
Charges for services:					
Inspection fees	4,000	3,396	3,582	186	4,914
Airport hanger rent	23,000	24,762	24,531	(231)	23,421
Airport fuel sales	58,000	71,404	72,161	757	62,017
Industrial park	62,400	103,400	103,400	-	49,430
Miscellaneous	5,000	1,735	1,895	160	2,600
Total charges for services	<u>152,400</u>	<u>204,697</u>	<u>205,569</u>	<u>872</u>	<u>142,382</u>
Miscellaneous:					
Interest	4,200	11,950	14,351	2,401	7,125
Video bingo	55,000	62,069	63,063	994	56,036
Other sources	11,025	11,103	15,747	4,644	24,712
Total miscellaneous	<u>70,225</u>	<u>85,122</u>	<u>93,161</u>	<u>8,039</u>	<u>87,873</u>
Total revenues	<u>\$1,542,027</u>	<u>\$1,628,331</u>	<u>\$1,552,788</u>	<u>\$ (75,543)</u>	<u>\$1,480,691</u>

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government:					
General and administrative -					
Salaries and wages	\$ 375,074	\$ 393,608	\$ 393,925	\$ (317)	\$ 378,641
Payroll taxes	30,031	30,439	30,179	260	28,689
Retirement contribution	50,031	48,223	48,127	96	45,908
Deferred compensation	3,500	2,402	2,402	-	3,238
Hospitalization	22,800	20,226	23,499	(3,273)	21,244
Insurance	8,704	109,983	130,049	(20,066)	94,326
Materials and supplies	39,550	50,554	43,191	7,363	42,627
Advertisements and recordings	7,000	16,111	18,140	(2,029)	6,421
Accounting and auditing	40,000	25,685	24,685	1,000	30,835
Miscellaneous	53,542	63,329	65,145	(1,816)	79,367
Utilities and telephone	51,000	47,483	45,097	2,386	46,043
Repairs and maintenance	75,000	73,756	77,446	(3,690)	72,521
Dues	2,200	2,315	2,315	-	2,094
Travel	2,400	6,441	3,991	2,450	2,580
Uniforms	20,000	33,919	32,818	1,101	23,608
Legal fees	1,000	966	1,568	(602)	1,736
Fort Polk Progress	-	-	-	-	595
Total general and administrative	<u>781,832</u>	<u>925,440</u>	<u>942,577</u>	<u>(17,137)</u>	<u>880,473</u>
Executive -					
Salaries	56,000	56,210	54,455	1,755	56,187
Payroll taxes	4,284	4,300	4,166	134	4,320
Insurance	2,823	2,506	2,058	448	3,952
Utilities and telephone	-	-	-	-	74
Travel	10,000	41,752	34,339	7,413	8,449
Public relations	5,000	7,214	7,726	(512)	1,775
Vehicle expense	700	595	595	-	619
Total executive	<u>78,807</u>	<u>112,577</u>	<u>103,339</u>	<u>9,238</u>	<u>75,376</u>

(continued)

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Legal -					
Salaries	41,500	36,000	36,004	(4)	36,277
Payroll taxes	3,175	3,187	3,187	-	3,211
Retirement contribution	-	-	312	(312)	-
Insurance	137	138	137	1	126
Legal fees	2,000	3,693	3,963	(270)	2,915
Total legal	<u>46,812</u>	<u>43,018</u>	<u>43,603</u>	<u>(585)</u>	<u>42,529</u>
Public works:					
Salaries	595,000	537,356	545,206	(7,850)	525,624
Payroll taxes	45,518	41,152	39,684	1,468	37,307
Retirement contribution	80,500	66,764	66,072	692	63,045
Deferred compensation	2,347	2,569	2,565	4	1,409
Hospitalization	63,319	46,184	53,550	(7,366)	78,782
Maintenance and supplies	151,500	137,613	129,602	8,011	121,825
Dumpster service	5,650	5,621	5,221	400	5,514
Utilities and telephone	134,000	149,846	120,542	29,304	132,692
Insurance	88,485	86,066	110,091	(24,025)	128,023
Miscellaneous	54,934	33,241	32,426	815	5,673
Total public works	<u>1,221,253</u>	<u>1,106,412</u>	<u>1,104,959</u>	<u>1,453</u>	<u>1,099,894</u>
Economic development -					
Salaries	45,500	44,120	42,775	1,345	37,405
Payroll taxes	3,856	3,807	3,689	118	3,257
Maintenance and supplies	28,000	23,240	23,127	113	30,132
Fuel	60,000	77,019	57,340	19,679	49,347
Utilities and telephone	40,000	33,348	29,147	4,201	40,379
Insurance	5,266	7,146	58,299	(51,153)	71,107
Miscellaneous	1,500	1,892	1,581	311	1,173
Total economic development	<u>184,122</u>	<u>190,572</u>	<u>215,958</u>	<u>(25,386)</u>	<u>232,800</u>

(continued)

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018 Actual
	Budget		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
Debt service:					
Retirement of principal	-	-	22,686	(22,686)	84,807
Interest and fiscal charges	-	-	16,074	(16,074)	1,796
Total debt service	-	-	68,398	(68,398)	86,603
Capital outlay:					
General government	50,000	727,948	683,435	44,513	-
Public works	50,000	29,546	117,105	(87,559)	17,400
Total capital outlay	100,000	757,494	800,540	(43,046)	17,400
Total expenditures	<u>\$2,412,826</u>	<u>\$3,135,513</u>	<u>\$3,279,374</u>	<u>\$ (143,861)</u>	<u>\$2,435,075</u>

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

Budgetary Comparison Schedule
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 2,800,000	\$ 2,800,750	\$ 2,909,515	\$ 108,765	\$ 2,810,978
Charges for services	7,200	15,109	15,244	135	14,428
Miscellaneous	52,785	43,571	49,164	5,593	46,583
Total revenues	<u>2,859,985</u>	<u>2,859,430</u>	<u>2,973,923</u>	<u>114,493</u>	<u>2,871,989</u>
Expenditures:					
Current -					
General government:					
Salaries and wages	46,000	47,630	47,816	(186)	44,964
Payroll taxes	3,462	4,100	4,061	39	3,814
Retirement contribution	6,440	6,500	6,488	12	5,915
Deferred compensation	520	560	560	-	540
Collection fees	55,000	76,750	78,635	(1,885)	39,105
Park equipment	-	22,769	22,769	-	-
Miscellaneous	15,541	15,755	14,721	1,034	14,751
Total general government	<u>126,963</u>	<u>174,064</u>	<u>175,050</u>	<u>(986)</u>	<u>109,089</u>
Culture and recreation:					
Recreation department	181,277	166,750	170,161	(3,411)	158,729
Recreation complex	57,426	61,063	65,657	(4,594)	46,520
Neighborhood center	158,861	157,220	155,985	1,235	141,765
Leisure pool	27,500	34,525	34,643	(118)	54,583
Total culture and recreation	<u>425,064</u>	<u>419,558</u>	<u>426,446</u>	<u>(6,888)</u>	<u>401,597</u>
Debt service -					
Retirement of principal	-	-	7,320	(7,320)	-
Interest and fiscal charges	-	-	339	(339)	-
Total debt service	<u>-</u>	<u>-</u>	<u>7,659</u>	<u>(7,659)</u>	<u>-</u>
Capital outlay -					
Culture and recreation:					
Recreation department	10,000	6,265	6,265	-	15,937
Neighborhood center	10,000	20,492	29,540	(9,048)	-
Leisure pool	-	3,130	-	3,130	-
Total capital outlay	<u>20,000</u>	<u>29,887</u>	<u>35,805</u>	<u>(5,918)</u>	<u>15,937</u>
Total expenditures	<u>572,027</u>	<u>623,509</u>	<u>644,960</u>	<u>(21,451)</u>	<u>526,623</u>
Excess of revenues over expenditures	<u>2,287,958</u>	<u>2,235,921</u>	<u>2,328,963</u>	<u>93,042</u>	<u>2,345,366</u>
Other financing uses:					
Proceeds from capital lease	-	-	28,201	(28,201)	-
Transfers out	(2,257,862)	(2,222,225)	(2,357,225)	(135,000)	(2,496,214)
Total other financing sources (uses)	<u>(2,257,862)</u>	<u>(2,222,225)</u>	<u>(2,329,024)</u>	<u>(163,201)</u>	<u>(2,496,214)</u>
Net change in fund balance	30,096	13,696	(61)	(70,159)	(150,848)
Fund balance, beginning	490,723	490,723	490,723	-	641,571
Fund balance, ending	<u>\$ 520,819</u>	<u>\$ 504,419</u>	<u>\$ 490,662</u>	<u>\$ (13,757)</u>	<u>\$ 490,723</u>

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

Budgetary Comparison Schedule
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 1,500,000	\$ 1,303,378	\$ 1,433,045	\$ 129,667	\$ 1,384,512
Intergovernmental	230,000	228,849	269,858	41,009	276,186
Fines and forfeitures	232,000	160,496	160,970	474	237,729
Charges for services	162,400	150,815	140,812	(10,003)	143,023
Miscellaneous	8,000	16,625	17,847	1,222	46,547
Total revenues	<u>2,132,400</u>	<u>1,860,163</u>	<u>2,022,532</u>	<u>162,369</u>	<u>2,087,997</u>
Expenditures:					
Current -					
General Government:					
Accounting and auditing	-	-	7,750	(7,750)	6,115
Public safety:					
Police -					
Salaries and wages	1,615,000	1,608,100	1,660,261	(52,161)	1,625,432
Payroll taxes	110,000	116,000	116,451	(451)	113,564
Retirement contribution	291,552	345,000	327,838	17,162	292,919
Deferred compensation	-	-	-	-	130
Hospitalization	118,800	113,000	129,012	(16,012)	145,188
Insurance	184,400	177,000	177,103	(103)	256,960
Telephone and utilities	55,825	66,100	64,328	1,772	55,606
Maintenance and supplies	197,000	222,415	215,984	6,431	189,671
Collection fee	26,500	48,350	38,963	9,387	24,170
Equipment lease	60,200	2,225	2,174	51	31,915
Prisoner expense	130,000	98,000	91,077	6,923	131,514
Miscellaneous	37,900	50,460	40,283	10,177	40,024
Total police	<u>2,827,177</u>	<u>2,846,650</u>	<u>2,863,474</u>	<u>(16,824)</u>	<u>2,907,093</u>
Fire -					
Salaries and wages	629,000	595,000	566,378	28,622	570,631
Payroll taxes	41,693	42,000	40,445	1,555	41,472
Retirement contribution	200,000	87,000	85,274	1,726	84,205
Deferred compensation	-	-	-	-	-
Hospitalization	52,000	58,000	64,267	(6,267)	52,500
Insurance	81,150	135,700	98,631	37,069	106,740
Telephone and utilities	35,200	40,000	37,828	2,172	35,045
Maintenance and supplies	38,500	40,300	30,997	9,303	25,774
Miscellaneous	82,000	73,850	32,210	41,640	7,872
Total fire	<u>1,159,543</u>	<u>1,071,850</u>	<u>956,030</u>	<u>115,820</u>	<u>924,239</u>

(continued)

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

Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Expenditures (continued):					
City Court -					
Salaries and wages	75,530	75,800	75,786	14	84,161
Payroll taxes	6,000	6,500	6,225	275	6,885
Retirement contribution	-	700	667	33	-
Insurance	390	350	322	28	326
Miscellaneous	12,000	14,450	13,384	1,066	-
Utilities	6,500	4,610	5,653	(1,043)	6,695
Maintenance	-	4,730	4,425	305	-
Total city court	<u>100,420</u>	<u>107,140</u>	<u>106,462</u>	<u>678</u>	<u>98,067</u>
Debt service -					
Retirement of principal	-	-	55,799	(55,799)	42,257
Interest and fiscal charges	-	-	23,543	(23,543)	21,582
Total debt service	<u>-</u>	<u>-</u>	<u>79,342</u>	<u>(79,342)</u>	<u>63,839</u>
Capital outlay -					
Public safety:					
Police	55,000	66,500	23,648	42,852	145,206
Fire	15,000	15,000	3,041	11,959	350
Total capital outlay	<u>70,000</u>	<u>81,500</u>	<u>26,689</u>	<u>54,811</u>	<u>145,556</u>
Total expenditures	<u>4,157,140</u>	<u>4,107,140</u>	<u>4,039,747</u>	<u>67,393</u>	<u>4,144,909</u>
Deficiency of revenues over expenditures	<u>(2,024,740)</u>	<u>(2,246,977)</u>	<u>(2,017,215)</u>	<u>229,762</u>	<u>(2,056,912)</u>
Other financing sources (uses):					
Proceeds from capital lease	-	-	-	-	75,045
Transfers in	<u>2,130,000</u>	<u>2,335,000</u>	<u>2,335,000</u>	<u>-</u>	<u>2,080,000</u>
Total other financing sources (uses)	<u>2,130,000</u>	<u>2,335,000</u>	<u>2,335,000</u>	<u>-</u>	<u>2,155,045</u>
Net change in fund balance	105,260	88,023	317,785	229,762	98,133
Fund balance (deficit), beginning	<u>(1,056,248)</u>	<u>(1,056,248)</u>	<u>(1,056,248)</u>	<u>-</u>	<u>(1,154,381)</u>
Fund balance (deficit), ending	<u>\$ (950,988)</u>	<u>\$ (968,225)</u>	<u>\$ (738,463)</u>	<u>\$ 229,762</u>	<u>\$(1,056,248)</u>

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Fund

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

Mainstreet Program Fund -

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

Debt Service Funds

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

Sales Tax Sinking Fund

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

2016 Certificates of Indebtedness Fund

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

2004 GOB Street Improvement Fund

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

Capital Projects Fund

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

Airport Construction Fund -

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

Improvements Capital Projects Fund -

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

CITY OF LEESVILLE, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2019

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and interest-bearing deposits	\$ -	\$ 451,209	\$ -	\$ 451,209
Receivables -				
Due from other funds	74,870	191,347	273,552	539,769
Due from other governmental agencies	-	-	733,172	733,172
Restricted cash and interest-bearing deposits	-	-	94,863	94,863
Total assets	<u>\$ 74,870</u>	<u>\$ 642,556</u>	<u>\$ 1,101,587</u>	<u>\$ 1,819,013</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and retainage payable	\$ -	\$ -	\$ 62,697	\$ 62,697
Due to other funds	-	13,386	31,771	45,157
Total liabilities	<u>-</u>	<u>13,386</u>	<u>94,468</u>	<u>107,854</u>
Fund balances:				
Restricted for debt service	-	629,170	-	629,170
Restricted for capital projects	-	-	1,007,119	1,007,119
Unassigned	74,870	-	-	74,870
Total fund balances	<u>74,870</u>	<u>629,170</u>	<u>1,007,119</u>	<u>1,711,159</u>
Total liabilities and fund balances	<u>\$ 74,870</u>	<u>\$ 642,556</u>	<u>\$ 1,101,587</u>	<u>\$ 1,819,013</u>

CITY OF LEESVILLE, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2019

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:				
Taxes	\$ -	\$ 420,465	\$ -	\$ 420,465
Intergovernmental	-	-	1,046,234	1,046,234
Miscellaneous	<u>5,940</u>	<u>380</u>	<u>1,233</u>	<u>7,553</u>
Total revenues	<u>5,940</u>	<u>420,845</u>	<u>1,047,467</u>	<u>1,474,252</u>
Expenditures:				
Current -				
Public works	10,405	-	-	10,405
Debt service	-	622,159	-	622,159
Capital outlay	<u>-</u>	<u>-</u>	<u>1,071,702</u>	<u>1,071,702</u>
Total expenditures	<u>10,405</u>	<u>622,159</u>	<u>1,071,702</u>	<u>1,704,266</u>
Deficiency of revenues over expenditures	(4,465)	(201,314)	(24,235)	(230,014)
Other financing sources (uses):				
Transfers in	<u>4,000</u>	<u>212,225</u>	<u>-</u>	<u>216,225</u>
Net change in fund balance	(465)	10,911	(24,235)	(13,789)
Fund balances, beginning	<u>75,335</u>	<u>618,259</u>	<u>1,031,354</u>	<u>1,724,948</u>
Fund balances, ending	<u>\$ 74,870</u>	<u>\$ 629,170</u>	<u>\$ 1,007,119</u>	<u>\$ 1,711,159</u>

NONMAJOR DEBT SERVICE FUNDS

CITY OF LEESVILLE, LOUISIANA
Nonmajor Debt Service Funds

Combining Balance Sheet
June 30, 2019

	Sales Tax Sinking	2016 Certificates of Indebtedness	2004 GOB Street Improvements	Total
ASSETS				
Cash and interest-bearing deposits	\$ 190,911	\$ 13,421	\$ 246,877	\$ 451,209
Receivables -				
Due from other funds	<u>183,243</u>	<u>-</u>	<u>8,104</u>	<u>191,347</u>
Total assets	<u>\$ 374,154</u>	<u>\$ 13,421</u>	<u>\$ 254,981</u>	<u>\$ 642,556</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ 13,386	\$ -	13,386
Fund balances:				
Restricted for debt service	<u>374,154</u>	<u>35</u>	<u>254,981</u>	<u>629,170</u>
Total liabilities and fund balances	<u>\$ 374,154</u>	<u>\$ 13,421</u>	<u>\$ 254,981</u>	<u>\$ 642,556</u>

CITY OF LEESVILLE, LOUISIANA
Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2019

	<u>Sales Tax Sinking</u>	<u>2016 Certificates of Indebtedness</u>	<u>2004 GOB Street Improvements</u>	<u>Total</u>
Revenues:				
Taxes	\$ -	\$ 241,138	\$ 179,327	\$ 420,465
Miscellaneous	67	15	298	380
Total revenues	<u>67</u>	<u>241,153</u>	<u>179,625</u>	<u>420,845</u>
Expenditures:				
Debt service	<u>208,261</u>	<u>241,138</u>	<u>172,760</u>	<u>622,159</u>
Excess (deficiency) of revenues over expenditures	(208,194)	15	6,865	(201,314)
Other financing sources (uses):				
Transfers in	<u>212,225</u>	<u>-</u>	<u>-</u>	<u>212,225</u>
Net change in fund balance	4,031	15	6,865	10,911
Fund balances, beginning	<u>370,123</u>	<u>20</u>	<u>248,116</u>	<u>618,259</u>
Fund balances, ending	<u>\$ 374,154</u>	<u>\$ 35</u>	<u>\$ 254,981</u>	<u>\$ 629,170</u>

NONMAJOR CAPITAL PROJECTS FUNDS

CITY OF LEESVILLE, LOUISIANA
Nonmajor Capital Projects Funds

Combining Balance Sheet
June 30, 2019

	Airport Construction	Improvements	Total
ASSETS			
Due from other funds	\$ -	\$ 273,552	\$ 273,552
Due from other governmental agencies	81,418	651,754	733,172
Restricted cash and interest-bearing deposits	-	94,863	94,863
Total assets	\$ 81,418	\$ 1,020,169	\$ 1,101,587
LIABILITIES AND FUND BALANCES			
Liabilities:			
Contracts and retainage payable	\$ 48,617	\$ 14,080	\$ 62,697
Due to other funds	31,771	-	31,771
Total liabilities	80,388	14,080	94,468
Fund balances:			
Restricted for capital projects	1,030	1,006,089	1,007,119
Total liabilities and fund balances	\$ 81,418	\$ 1,020,169	\$ 1,101,587

CITY OF LEESVILLE, LOUISIANA
Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2019

	Airport Construction	Improvements	Total
Revenues:			
Intergovernmental	\$ 209,670	\$ 836,564	\$ 1,046,234
Miscellaneous	-	1,233	1,233
Total revenues	209,670	837,797	1,047,467
Expenditures:			
Capital outlay	230,172	841,530	1,071,702
Net change in fund balance	(20,502)	(3,733)	(24,235)
Fund balances, beginning	21,532	1,009,822	1,031,354
Fund balances, ending	\$ 1,030	\$ 1,006,089	\$ 1,007,119

CITY OF LEESVILLE, LOUISIANA

Comparative Statement of Position - Proprietary Funds
June 30, 2019

	Business -Type Activities - Enterprise Funds							
	Sewer		Water		Fort Polk Vegetation Control		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
ASSETS								
Current assets:								
Cash and interest-bearing deposits	\$ 60,919	\$ 62,319	\$ -	\$ -	\$ -	\$ -	\$ 60,919	\$ 62,319
Receivables:								
Accounts, net	132,655	160,003	198,691	274,496	-	-	331,346	434,499
Due from other funds	832,613	662,468	1,517,194	1,746,624	-	-	2,349,807	2,409,092
Due from other governmental agencies	-	-	1,187,668	2,015,007	249,819	184,220	1,437,487	2,199,227
Prepaid items	5,247	3,118	5,247	3,118	3,720	3,046	14,214	9,282
Total current assets	<u>1,031,434</u>	<u>887,908</u>	<u>2,908,800</u>	<u>4,039,245</u>	<u>253,539</u>	<u>187,266</u>	<u>4,193,773</u>	<u>5,114,419</u>
Noncurrent assets:								
Restricted assets -								
Cash and interest-bearing deposits	-	-	1,168,044	922,458	-	-	1,168,044	922,458
Land and construction in progress	119,876	132,984	1,395,832	47,926	-	-	1,515,708	180,910
Capital assets, net of accumulated depreciation	9,269,807	9,505,965	6,032,348	6,332,507	813,327	735,721	16,115,482	16,574,193
Total noncurrent assets	<u>9,389,683</u>	<u>9,638,949</u>	<u>8,596,224</u>	<u>7,302,891</u>	<u>813,327</u>	<u>735,721</u>	<u>18,799,234</u>	<u>17,677,561</u>
Total assets	<u>10,421,117</u>	<u>10,526,857</u>	<u>11,505,024</u>	<u>11,342,136</u>	<u>1,066,866</u>	<u>922,987</u>	<u>22,993,007</u>	<u>22,791,980</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows of resources related to pensions	107,978	142,216	83,711	117,308	8,092	-	199,781	259,524
LIABILITIES								
Current liabilities (payable from current assets):								
Accounts and other payables	4,782	17,966	380,101	12,085	131,619	2,524	516,502	32,575
Due to other funds	25,346	-	111,904	-	105,156	139,693	242,406	139,693
Capital lease	5,238	5,021	5,238	5,021	189,518	148,692	199,994	158,734
Note payable	-	-	50,217	-	-	-	50,217	-
Accrued interest payable	13	32	13	32	-	-	26	64
Total	<u>35,379</u>	<u>23,019</u>	<u>547,473</u>	<u>17,138</u>	<u>426,293</u>	<u>290,909</u>	<u>1,009,145</u>	<u>331,066</u>
Current liabilities (payable from restricted assets):								
Customer deposits payable	-	-	230,717	229,062	-	-	230,717	229,062
Revenue bonds	-	-	150,000	260,000	-	-	150,000	260,000
Accrued interest payable	-	-	-	12,319	-	-	-	12,319
Total	<u>-</u>	<u>-</u>	<u>380,717</u>	<u>501,381</u>	<u>-</u>	<u>-</u>	<u>380,717</u>	<u>501,381</u>
Total current liabilities	<u>35,379</u>	<u>23,019</u>	<u>928,190</u>	<u>518,519</u>	<u>426,293</u>	<u>290,909</u>	<u>1,389,862</u>	<u>832,447</u>
Noncurrent liabilities:								
Compensated absences payable	30,680	30,148	12,685	10,681	804	3,430	44,169	44,259
OPEB obligation payable	142,380	138,785	56,952	55,514	56,952	55,514	256,284	249,813
Net pension liability	331,766	360,135	282,927	310,578	6,271	-	620,964	670,713
Revenue bonds payable	-	-	3,930,000	4,284,202	-	-	3,930,000	4,284,202
Capital lease	1,773	7,006	1,773	7,006	566,405	592,027	569,951	606,039
Note payable	-	-	35,449	135,883	-	-	35,449	135,883
Total noncurrent liabilities	<u>506,599</u>	<u>536,074</u>	<u>4,319,786</u>	<u>4,803,864</u>	<u>630,432</u>	<u>650,971</u>	<u>5,456,817</u>	<u>5,990,909</u>
Total liabilities	<u>541,978</u>	<u>559,093</u>	<u>5,247,976</u>	<u>5,322,383</u>	<u>1,056,725</u>	<u>941,880</u>	<u>6,846,679</u>	<u>6,823,356</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows of resources related to pensions	20,123	7,793	14,944	6,607	2,904	-	37,971	14,400
NET POSITION								
Net investment in capital assets	9,382,672	9,626,922	4,243,047	2,369,398	57,404	-	13,683,123	11,996,320
Unrestricted	584,322	475,265	2,082,768	3,761,056	(42,075)	(18,893)	2,625,015	4,217,428
Total net position	<u>\$ 9,966,994</u>	<u>\$ 10,102,187</u>	<u>\$ 6,325,815</u>	<u>\$ 6,130,454</u>	<u>\$ 15,329</u>	<u>\$ (18,893)</u>	<u>\$ 16,308,138</u>	<u>\$ 16,213,748</u>

CITY OF LEESVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2019

	Business -Type Activities - Enterprise Funds							
	Sewer		Water		Fort Polk Vegetation Control		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Operating revenues:								
Charges for services	\$ 775,435	\$ 874,101	\$ 1,348,149	\$ 1,549,302	\$ 2,942,827	\$ 868,466	\$ 5,066,411	\$ 3,291,869
Miscellaneous	-	44	5,099	6,314	102	-	5,201	6,358
Total operating revenues	<u>775,435</u>	<u>874,145</u>	<u>1,353,248</u>	<u>1,555,616</u>	<u>2,942,929</u>	<u>868,466</u>	<u>5,071,612</u>	<u>3,298,227</u>
Operating expenses:								
Salaries	274,143	284,903	196,436	204,029	113,051	50,235	583,630	539,167
Employee benefits	22,622	22,821	16,429	11,420	18,788	8,410	57,839	42,651
OPEB expense	3,595	75,982	1,438	(85,690)	1,438	55,514	6,471	45,806
Pension expense	60,344	121,672	44,465	107,390	8,514	-	113,323	229,062
Operating supplies	30,113	34,909	155,105	159,510	195,058	24,454	380,276	218,873
Vehicle expense	17,237	14,991	35,384	34,524	93,082	27,576	145,703	77,091
Utilities and communications	129,489	127,638	177,013	138,166	2,212	540	308,714	266,344
Insurance	74,362	79,930	104,343	104,477	44,710	22,358	223,415	206,765
Legal and other professional	14,095	17,500	21,060	19,305	9,355	10,000	44,510	46,805
Repairs and maintenance	53,382	58,018	63,736	40,638	56,952	52,116	174,070	150,772
Contracted services	-	-	-	-	1,301,254	257,174	1,301,254	257,174
Bad debt	32,925	34,404	51,464	23,330	-	-	84,389	57,734
Miscellaneous	59,365	44,983	1,208	1,156	-	-	60,573	46,139
Depreciation	421,052	418,548	306,459	303,447	130,643	24,602	858,154	746,597
Total operating expenses	<u>1,192,724</u>	<u>1,336,299</u>	<u>1,174,540</u>	<u>1,061,702</u>	<u>1,975,057</u>	<u>532,979</u>	<u>4,342,321</u>	<u>2,930,980</u>
Operating income (loss)	<u>(417,289)</u>	<u>(462,154)</u>	<u>178,708</u>	<u>493,914</u>	<u>967,872</u>	<u>335,487</u>	<u>729,291</u>	<u>367,247</u>
Nonoperating revenues (expenses):								
Interest income	255	255	1,224	1,455	-	-	1,479	1,710
Ad valorem taxes	121,799	119,199	-	-	-	-	121,799	119,199
Nonemployer pension contribution	7,860	8,749	5,630	7,593	1,386	-	14,876	16,342
Interest expense	(401)	(610)	(82,613)	(86,509)	(35,036)	(4,380)	(118,050)	(91,499)
Total nonoperating revenues (expenses)	<u>129,513</u>	<u>127,593</u>	<u>(75,759)</u>	<u>(77,461)</u>	<u>(33,650)</u>	<u>(4,380)</u>	<u>20,104</u>	<u>45,752</u>
Income (loss) before contributions and transfers	<u>(287,776)</u>	<u>(334,561)</u>	<u>102,949</u>	<u>416,453</u>	<u>934,222</u>	<u>331,107</u>	<u>749,395</u>	<u>412,999</u>
Capital Contributions	152,583	-	317,412	200,034	-	-	469,995	200,034
Transfers out	-	-	(225,000)	(225,000)	(900,000)	(350,000)	(1,125,000)	(575,000)
Change in net position	<u>(135,193)</u>	<u>(334,561)</u>	<u>195,361</u>	<u>391,487</u>	<u>34,222</u>	<u>(18,893)</u>	<u>94,390</u>	<u>38,033</u>
Net position, beginning	<u>10,102,187</u>	<u>10,436,748</u>	<u>6,130,454</u>	<u>5,738,967</u>	<u>(18,893)</u>	<u>-</u>	<u>16,213,748</u>	<u>16,175,715</u>
Net position, ending	<u>\$ 9,966,994</u>	<u>\$10,102,187</u>	<u>\$ 6,325,815</u>	<u>\$ 6,130,454</u>	<u>\$ 15,329</u>	<u>\$ (18,893)</u>	<u>\$16,308,138</u>	<u>\$16,213,748</u>

**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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 5, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2019-001.

City of Leesville, Louisiana's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 5, 2019

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Leesville, Louisiana's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Leesville, Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 5, 2019

CITY OF LEESVILLE, LOUISIANA

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Federal Grantor / Pass-Through Grantor / Program Name	CFDA Number	Expenditures
<u>U.S. Environmental Protection Agency</u>		
Passed-through State of Louisiana Department of Health and Hospitals: Drinking Water State Revolving Fund Cluster - Capitalization Grants for Drinking Water State Revolving Funds	66.468	<u>\$1,007,360</u>
<u>U.S. Department of Transportation</u>		
Airport Improvement Program	20.106	148,972
Passed-through State of Louisiana Department of Public Safety and Corrections - Louisiana Highway Safety Commission Alcohol Open Container Requirements	20.607	5,000
Highway Safety Cluster - Occupant Protection Incentive Grants	20.602	<u>4,418</u>
Total U.S. Department of Transportation		<u>158,390</u>
<u>U.S. Department of Justice</u>		
Violence Against Women Formula Grants	16.588	5,429
Bulletproof Vest Partnership Program	16.607	4,554
Passed-through State of Louisiana Commission on Law Enforcement and Administration of Criminal Justice and Vernon Parish Sheriff Edward Byrne Memorial Justice Assistance Grant Program	16.738	<u>9,865</u>
Total U.S. Department of Justice		<u>19,848</u>
TOTAL FEDERAL EXPENDITURES		<u>\$1,185,598</u>

The accompanying notes are an integral part of this schedule.

CITY OF LEESVILLE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

(1) Basis of Accounting

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Leesville, Louisiana under programs of the federal government for the year ended June 30, 2019. 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 of Leesville, Louisiana, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Leesville, Louisiana.

(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 revenues are reported in the City of Leesville, Louisiana's fund financial statements as follows:

From federal sources:

Government Fund Types -

Special Revenue Funds \$ 29,266

Capital Projects Funds 148,972

Proprietary Fund Type -

Water Fund 1,007,360

Total federal expenditures reported in the Schedule of
Expenditures of Federal Awards \$1,185,598

CITY OF LEESVILLE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Part I. Summary of Auditors' Results:

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Leesville, Louisiana were prepared in accordance with GAAP.
2. There were no significant deficiencies or material weaknesses in internal control disclosed by the audit of the basic financial statements.
3. There was one instance of noncompliance material to the financial statements which would be required to be reported in accordance with *Government Auditing Standards*.
4. There were no significant deficiencies or material weaknesses in internal control over the major federal award program disclosed.
5. The auditor's report on compliance for the major federal award program expresses an unmodified opinion on all major federal programs.
6. The audit disclosed no findings required to be reported in accordance with the Uniform Guidance.
7. The major program was:
U.S. Environmental Protection Agency – CFDA #66.468 Capitalization Grants for Drinking Water State Revolving Funds
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The City of Leesville, Louisiana did not qualify to be a low-risk auditee.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Internal Control over Financial Reporting –

No deficiencies in internal control were disclosed by the audit of the financial statements.

B. Compliance –

2019-001 Noncompliance with Budget Act

Fiscal year finding initially occurred: 2015

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

CITY OF LEESVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2019

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

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

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

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

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

C. Management Letter –

A management letter was issued related to operating deficits in the Public Safety Special Revenue Fund and the Sewer Enterprise Fund.

Part III. Findings and questioned costs relating to Federal Programs:

There were no significant deficiencies or instances of material noncompliance noted during the audit.

CITY OF LEESVILLE, LOUISIANA

Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2019

Part I. Findings which are required to be reported in accordance with Government Auditing Standards

A. Internal Control over Financial Reporting

2018-001 Lack of Qualified Staff

CONDITION: The City did not have a person with qualifications to prepare GAAP basis financial statements.

RECOMMENDATION: It is recommended that the City prepare financial statements that are prepared in accordance with GAAP.

CURRENT STATUS: Resolved.

2018-002 Controls over Personnel Files

CONDITION: The City did not have proper controls over the maintenance of personnel files.

RECOMMENDATION: Procedures should be implemented to ensure that personnel files are current and complete for all employees.

CURRENT STATUS: Resolved.

B. Compliance –

2018-003 Noncompliance with Budget Act

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

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

CURRENT STATUS: Although a current year surplus was budgeted, this amount was not sufficient to overcome the fund balance deficit from prior years. The original proposed budget and the amended budget adopted for the Public Safety Special Revenue Fund proposed expenditures exceeding funds available for the ensuing fiscal year by \$950,988 and \$968,225, respectively. See current year finding 2019-001.

CITY OF LEESVILLE, LOUISIANA

Schedule of Prior Year Findings and Questioned Costs (Continued)
Year Ended June 30, 2019

2018-004 Failure to Publish Budget

CONDITION: The City did not publish a notice of public hearing for the proposed fiscal year 2018 operating budget.

RECOMMENDATION: It is recommended that the City fully comply with the provisions of LSA-RS 39:1305(B) and LSA-RS 39:1306(D) when adopting and amending budgets.

CURRENT STATUS: Resolved.

Part III. Findings and questioned costs relating to Federal Programs:

There are no findings to be reported under this section.

KOLDER, SLAVEN & COMPANY, LLC

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MANAGEMENT LETTER

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

We have completed our audit of the basic financial statements of the City of Leesville, Louisiana for the year ended June 30, 2019, and submit the following recommendations for your consideration:

- (1) Although the Public Safety Fund experienced a surplus of \$317,785 during the current year, the resulting ending fund balance remained a deficit of \$738,463. The City should continue to evaluate operations to determine methods to increase revenues and/or reduce expenditures in order to eliminate this deficit and operate at a surplus.
- (2) The Sewer Enterprise Fund experienced an operating loss of \$417,289 during the current year. The City should evaluate operations to determine methods to increase revenues and/or reduce expenses in order to operate at a surplus.

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 5, 2019

CITY OF LEESVILLE, LOUISIANA

Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2019

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by City of Leesville, Louisiana (City) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The City's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.

Board or Finance Committee

(The following procedures are not applicable, because there were no exceptions noted in year 1.)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Bank Reconciliations

3. Obtain a listing of client 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 selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding EFTs)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

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

(The following procedures are not applicable, because there were no exceptions noted in year 2.)

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

Contracts

(The following procedures are not applicable, because there were no exceptions noted in year 2.)

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

Payroll and Personnel

(The following procedures are not applicable, because there were no exceptions noted in year 2.)

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

(The following procedures are not applicable, because there were no exceptions noted in year 1.)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. 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).

Other

(The following procedures are not applicable, because there were no exceptions noted in year 1.)

23. 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.
24. Observe that 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.

Exceptions:

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

Written Policies and Procedures:

1. The City does not have written policies and procedures that address budgeting, contracting, allowable business uses for credit cards, actions to be taken if an ethics violation takes place, a requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy, debt issuance approval, EMMA reporting requirements or debt service requirements, and disaster recovery.

Bank Reconciliations:

2. For one of the bank reconciliations tested, there was no documentation reflecting that management had researched reconciling items that had been outstanding from more than 12 months from the statement closing date.

Management's Response:

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

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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
December 5, 2019