

CITY OF LEESVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Leesville, Louisiana (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of changes in total OPEB liability and related ratios, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 55 - 63 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information on pages 65 through 87 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and comparative statements and the justice system funding schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of expenditures of federal awards on page 94 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and comparative statements, justice system funding schedule, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative information on the combining and comparative statements has been derived from the City of Leesville, Louisiana's 2021 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements from which they were derived.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated November 16, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 16, 2022

BASIC FINANCIAL STATEMENTS

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

CITY OF LEESVILLE, LOUISIANA

Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 9,278,827	\$ 228,512	\$ 9,507,339
Receivables, net	784,363	420,115	1,204,478
Due from other governmental agencies	13,101	556,665	569,766
Inventories	108,011	-	108,011
Other assets	89,998	6,633	96,631
Total current assets	<u>10,274,300</u>	<u>1,211,925</u>	<u>11,486,225</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	443,852	1,899,781	2,343,633
Capital assets:			
Land and construction in progress	385,464	891,598	1,277,062
Capital assets, net	<u>15,271,405</u>	<u>16,615,440</u>	<u>31,886,845</u>
Total noncurrent assets	<u>16,100,721</u>	<u>19,406,819</u>	<u>35,507,540</u>
Total assets	<u>26,375,021</u>	<u>20,618,744</u>	<u>46,993,765</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plans	1,020,617	108,916	1,129,533
OPEB obligation	<u>34,558</u>	<u>5,400</u>	<u>39,958</u>
Total deferred inflows of resources	<u>1,055,175</u>	<u>114,316</u>	<u>1,169,491</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	271,387	66,234	337,621
Interest payable	9,087	2,765	11,852
Advance fuel sales	23,305	-	23,305
Internal balances	5,182,118	(5,182,118)	-
Customer deposits payable	-	245,622	245,622
Bonds, notes, and leases due within one year	<u>439,863</u>	<u>498,237</u>	<u>938,100</u>
Total current liabilities	<u>5,925,760</u>	<u>(4,369,260)</u>	<u>1,556,500</u>
Noncurrent liabilities:			
Compensated absences payable	317,675	54,016	371,691
Bonds, notes, and leases due after one year	1,265,978	2,811,031	4,077,009
OPEB obligation payable	1,128,762	176,370	1,305,132
Net pension liability	<u>2,609,479</u>	<u>404,896</u>	<u>3,014,375</u>
Total noncurrent liabilities	<u>5,321,894</u>	<u>3,446,313</u>	<u>8,768,207</u>
Total liabilities	<u>11,247,654</u>	<u>(922,947)</u>	<u>10,324,707</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Plans	1,749,345	157,956	1,907,301
OPEB obligation	<u>129,107</u>	<u>20,174</u>	<u>149,281</u>
Total deferred inflows of resources	<u>1,878,452</u>	<u>178,130</u>	<u>2,056,582</u>
NET POSITION			
Net investment in capital assets	13,951,028	15,849,164	29,800,192
Restricted for capital projects	731,966	-	731,966
Restricted for sales tax dedications	1,924,725	-	1,924,725
Unrestricted	<u>(2,303,629)</u>	<u>5,628,713</u>	<u>3,325,084</u>
Total net position	<u>\$ 14,304,090</u>	<u>\$ 21,477,877</u>	<u>\$ 35,781,967</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, 2022

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	\$ 1,345,944	\$ 634,043	\$ -	\$ -	\$ (711,901)	\$ -	\$ (711,901)
Public safety	3,456,423	158,110	176,512	24,120	(3,097,681)	-	(3,097,681)
Public works	1,225,941	-	23,365	-	(1,202,576)	-	(1,202,576)
Economic development	672,775	220,312	7,475	109,353	(335,635)	-	(335,635)
Culture and recreation	407,599	19,732	-	500	(387,367)	-	(387,367)
Interest on long-term debt	62,672	-	-	-	(62,672)	-	(62,672)
Total governmental activities	<u>7,171,354</u>	<u>1,032,197</u>	<u>207,352</u>	<u>133,973</u>	<u>(5,797,832)</u>	<u>-</u>	<u>(5,797,832)</u>
Business-type activities:							
Sewer	1,223,682	1,144,488	-	1,055,491	-	976,297	976,297
Water	1,378,765	1,821,499	-	30,197	-	472,931	472,931
Fort Polk Vegetation Control	2,087,470	3,135,095	-	-	-	1,047,625	1,047,625
Total business-type activities	<u>4,689,917</u>	<u>6,101,082</u>	<u>-</u>	<u>1,085,688</u>	<u>-</u>	<u>2,496,853</u>	<u>2,496,853</u>
Total	<u>\$ 11,861,271</u>	<u>\$ 7,133,279</u>	<u>\$ 207,352</u>	<u>\$ 1,219,661</u>	<u>(5,797,832)</u>	<u>2,496,853</u>	<u>(3,300,979)</u>
General revenues:							
Taxes -							
Ad valorem taxes, levied for general maintenance					564,372	-	564,372
Ad valorem taxes, levied for street improvements					245,771	-	245,771
Ad valorem taxes, levied for sewer system					-	184,375	184,375
Sales and use taxes, levied for public works and recreation					3,912,822	-	3,912,822
Sales and use taxes, levied for public safety					1,927,211	-	1,927,211
Franchise taxes					485,735	-	485,735
Grants and contributions not restricted to specific programs -							
State sources					19,709	-	19,709
Interest and investment earnings					6,556	15,554	22,110
Nonemployer pension contribution					130,699	16,742	147,441
Miscellaneous					271,969	873	272,842
Transfers					300,000	(300,000)	-
Total general revenues and transfers					<u>7,864,844</u>	<u>(82,456)</u>	<u>7,782,388</u>
Change in net position					2,067,012	2,414,397	4,481,409
Net position - beginning					<u>12,237,078</u>	<u>19,063,480</u>	<u>31,300,558</u>
Net position - ending					<u>\$ 14,304,090</u>	<u>\$ 21,477,877</u>	<u>\$ 35,781,967</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, and billing and collection.

CITY OF LEESVILLE, LOUISIANA

Balance Sheet - Governmental Funds
June 30, 2022

	General	Sales Tax	Public Safety	Other Governmental	Total
ASSETS					
Cash and interest-bearing deposits	\$ 662,937	\$ 8,608,290	\$ -	\$ 7,600	\$ 9,278,827
Receivables -					
Due from other funds	524,431	-	431,081	369,545	1,325,057
Due from other governmental agencies	5,400	-	-	7,701	13,101
Other	201,250	390,686	192,427	-	784,363
Prepaid items	56,820	9,463	23,715	-	89,998
Inventories	108,011	-	-	-	108,011
Restricted cash and interest-bearing deposits	-	-	-	443,852	443,852
Total assets	<u>\$ 1,558,849</u>	<u>\$ 9,008,439</u>	<u>\$ 647,223</u>	<u>\$ 828,698</u>	<u>\$ 12,043,209</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 73,658	\$ 11,556	\$ 18,403	\$ -	\$ 103,617
Accrued liabilities	88,890	9,426	57,199	-	155,515
Contracts and retainage payable	-	-	-	12,255	12,255
Due to other funds	158,796	6,340,855	-	7,524	6,507,175
Advance fuel sales	23,305	-	-	-	23,305
Total liabilities	<u>344,649</u>	<u>6,361,837</u>	<u>75,602</u>	<u>19,779</u>	<u>6,801,867</u>
Fund balances -					
Nonspendable	164,831	9,463	23,715	-	198,009
Restricted for debt service	-	-	-	76	76
Restricted for capital projects	-	-	-	731,966	731,966
Restricted for sales tax dedications	-	1,924,725	-	-	1,924,725
Committed	-	712,414	547,906	-	1,260,320
Unassigned	1,049,369	-	-	76,877	1,126,246
Total fund balances	<u>1,214,200</u>	<u>2,646,602</u>	<u>571,621</u>	<u>808,919</u>	<u>5,241,342</u>
Total liabilities and fund balances	<u>\$ 1,558,849</u>	<u>\$ 9,008,439</u>	<u>\$ 647,223</u>	<u>\$ 828,698</u>	<u>\$ 12,043,209</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, 2022

Total fund balances for governmental funds at June 30, 2022 \$ 5,241,342

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	96,438	
Buildings and improvements, net of \$7,061,734 accumulated depreciation	4,745,287	
Infrastructure, net of \$19,761,608 accumulated depreciation	9,902,912	
Equipment and vehicles, net of \$5,829,386 accumulated depreciation	<u>623,206</u>	15,656,869

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

Pension plans	1,020,617	
Other post employment benefits	<u>34,558</u>	1,055,175

Some liabilities are not due and payable from current financial resources and are, therefore not reported in the funds. These liabilities consist of the following:

Compensated absences	(317,675)	
Bonds payable	(499,000)	
Certificates of indebtedness	(720,000)	
Capital leases	(486,841)	
Accrued interest payable	(9,087)	
Other post employment benefits	(1,128,762)	
Net pension liability	<u>(2,609,479)</u>	(5,770,844)

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

Pension plans	(1,749,345)	
Other post employment benefits	<u>(129,107)</u>	<u>(1,878,452)</u>

Total net position of governmental activities at June 30, 2022 \$ 14,304,090

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, 2022

	General	Sales Tax	Public Safety	Other Governmental	Total
Revenues:					
Taxes -					
Ad valorem	\$ 564,372	\$ -	\$ -	\$ 245,771	\$ 810,143
Sales	-	3,912,822	1,927,211	-	5,840,033
Franchise	485,735	-	-	-	485,735
Licenses and permits	634,043	-	-	-	634,043
Intergovernmental	66,631	-	200,632	108,213	375,476
Fines and forfeits	-	-	87,587	-	87,587
Charges for services	220,312	19,732	70,523	-	310,567
Miscellaneous	117,219	110,510	31,931	4,423	264,083
Total revenues	<u>2,088,312</u>	<u>4,043,064</u>	<u>2,317,884</u>	<u>358,407</u>	<u>8,807,667</u>
Expenditures:					
Current:					
General government	1,082,483	151,270	4,610	-	1,238,363
Public safety	-	-	3,825,541	-	3,825,541
Public works	1,042,218	-	-	8,470	1,050,688
Economic development	234,566	-	-	-	234,566
Culture and recreation	-	470,181	-	-	470,181
Debt service	163,693	7,659	81,668	245,771	498,791
Capital outlay	144,208	98,898	198,584	135,170	576,860
Total expenditures	<u>2,667,168</u>	<u>728,008</u>	<u>4,110,403</u>	<u>389,411</u>	<u>7,894,990</u>
Excess (deficiency) of revenues over expenditures	<u>(578,856)</u>	<u>3,315,056</u>	<u>(1,792,519)</u>	<u>(31,004)</u>	<u>912,677</u>
Other financing sources (uses):					
Proceeds from capital lease	66,606	-	105,469	-	172,075
Transfers in	1,134,246	-	1,850,000	5,000	2,989,246
Transfers out	<u>(5,000)</u>	<u>(2,500,000)</u>	<u>-</u>	<u>(184,246)</u>	<u>(2,689,246)</u>
Total other financing sources (uses)	<u>1,195,852</u>	<u>(2,500,000)</u>	<u>1,955,469</u>	<u>(179,246)</u>	<u>472,075</u>
Net changes in fund balances	616,996	815,056	162,950	(210,250)	1,384,752
Fund balances, beginning	<u>597,204</u>	<u>1,831,546</u>	<u>408,671</u>	<u>1,019,169</u>	<u>3,856,590</u>
Fund balances, ending	<u>\$ 1,214,200</u>	<u>\$ 2,646,602</u>	<u>\$ 571,621</u>	<u>\$ 808,919</u>	<u>\$ 5,241,342</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, 2022

Total net changes in fund balances for the year ended June 30, 2022 per the statement of revenues, expenditures and changes in fund balances \$ 1,384,752

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	\$ 722,410	
Depreciation expense for the year ended June 30, 2022	<u>(960,575)</u>	(238,165)

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

Repayment of long-term debt	262,338
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Some long-term liabilities are not recognized at the fund level because they do not represent a claim on current financial resources. Expenses at the government-wide level are recognized when these liabilities are incurred, while expenditures are recognized at the fund level when cash payments are made. The amounts below represent the difference between the expenses incurred at the government-wide level and the current financial resources expended at the fund level.

Compensated absences	58,305	
Accrued interest	1,706	
OPEB obligation	(39,294)	
Net pension liability	<u>637,370</u>	<u>658,087</u>

Total changes in net position for the year ended June 30, 2022 per the statement of activities \$ 2,067,012

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

CITY OF LEESVILLE, LOUISIANA

Statement of Net Position - Proprietary Funds
June 30, 2022

	Business -Type Activities - Enterprise Funds			
	Sewer	Water	Fort Polk Vegetation Control	Total
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 228,512	\$ -	\$ -	\$ 228,512
Receivables:				
Accounts, net	166,562	253,553	-	420,115
Due from other funds	2,764,180	1,443,552	1,111,636	5,319,368
Due from other governmental agencies	12,027	16,923	527,715	556,665
Prepaid items	3,020	3,020	593	6,633
Total current assets	<u>3,174,301</u>	<u>1,717,048</u>	<u>1,639,944</u>	<u>6,531,293</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	-	1,899,781	-	1,899,781
Land and construction in progress	119,876	771,722	-	891,598
Capital assets, net of accumulated depreciation	8,672,149	7,307,238	636,053	16,615,440
Total noncurrent assets	<u>8,792,025</u>	<u>9,978,741</u>	<u>636,053</u>	<u>19,406,819</u>
Total assets	<u>11,966,326</u>	<u>11,695,789</u>	<u>2,275,997</u>	<u>25,938,112</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension plans	51,395	32,138	25,383	108,916
OPEB obligation	3,240	1,080	1,080	5,400
Total deferred inflows of resources	<u>54,635</u>	<u>33,218</u>	<u>26,463</u>	<u>114,316</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts and other payables	9,091	10,293	46,850	66,234
Due to other funds	25,346	111,904	-	137,250
Capital lease	-	-	176,237	176,237
Total	<u>34,437</u>	<u>122,197</u>	<u>223,087</u>	<u>379,721</u>
Current liabilities (payable from restricted assets):				
Customer deposits payable	-	245,622	-	245,622
Revenue bonds	-	322,000	-	322,000
Accrued interest payable	-	2,765	-	2,765
Total	<u>-</u>	<u>570,387</u>	<u>-</u>	<u>570,387</u>
Total current liabilities	<u>34,437</u>	<u>692,584</u>	<u>223,087</u>	<u>950,108</u>
Noncurrent liabilities:				
Compensated absences payable	34,794	16,629	2,593	54,016
OPEB obligation payable	105,822	35,274	35,274	176,370
Net pension liability	190,301	117,420	97,175	404,896
Revenue bonds payable	-	2,756,000	-	2,756,000
Capital lease	-	-	19,582	19,582
Note payable	-	35,449	-	35,449
Total noncurrent liabilities	<u>330,917</u>	<u>2,960,772</u>	<u>154,624</u>	<u>3,446,313</u>
Total liabilities	<u>365,354</u>	<u>3,653,356</u>	<u>377,711</u>	<u>4,396,421</u>
DEFERRED INFLOWS OF RESOURCES				
Pension plans	73,970	45,542	38,444	157,956
OPEB obligation	12,104	4,035	4,035	20,174
Total deferred inflows of resources	<u>86,074</u>	<u>49,577</u>	<u>42,479</u>	<u>178,130</u>
NET POSITION				
Net investment in capital assets	8,792,025	6,616,905	440,234	15,849,164
Unrestricted	<u>2,777,508</u>	<u>1,409,169</u>	<u>1,442,036</u>	<u>5,628,713</u>
Total net position	<u>\$11,569,533</u>	<u>\$ 8,026,074</u>	<u>\$1,882,270</u>	<u>\$21,477,877</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, 2022

	Business -Type Activities - Enterprise Funds			
	Sewer	Water	Fort Polk Vegetation Control	Total
Operating revenues:				
Charges for services	\$ 1,144,488	\$ 1,821,499	\$ 3,135,095	\$ 6,101,082
Miscellaneous	-	-	873	873
Total operating revenues	<u>1,144,488</u>	<u>1,821,499</u>	<u>3,135,968</u>	<u>6,101,955</u>
Operating expenses:				
Salaries	326,712	196,171	182,980	705,863
Employee benefits	29,771	15,523	19,844	65,138
OPEB expense (benefit)	(43,183)	(40,705)	(1,239)	(85,127)
Pension expense	21,305	13,918	8,365	43,588
Operating supplies	82,877	225,358	322,768	631,003
Vehicle expense	21,185	54,572	125,387	201,144
Utilities and communications	138,265	202,816	923	342,004
Insurance	76,770	95,295	30,519	202,584
Legal and other professional	11,845	12,915	12,124	36,884
Repairs and maintenance	101,756	89,257	83,323	274,336
Contracted services	-	-	1,158,228	1,158,228
Bad debt	25,582	17,356	-	42,938
Miscellaneous	54,179	2,074	-	56,253
Depreciation	376,618	386,335	130,629	893,582
Total operating expenses	<u>1,223,682</u>	<u>1,270,885</u>	<u>2,073,851</u>	<u>4,568,418</u>
Operating income (loss)	<u>(79,194)</u>	<u>550,614</u>	<u>1,062,117</u>	<u>1,533,537</u>
Nonoperating revenues (expenses):				
Interest income	14,753	801	-	15,554
Ad valorem taxes	184,375	-	-	184,375
Nonemployer pension contribution	7,901	4,935	3,906	16,742
Interest expense	-	(107,880)	(13,619)	(121,499)
Total nonoperating revenues (expenses)	<u>207,029</u>	<u>(102,144)</u>	<u>(9,713)</u>	<u>95,172</u>
Income before contributions and transfers	127,835	448,470	1,052,404	1,628,709
Capital Contributions	1,055,491	30,197	-	1,085,688
Transfers in (out)	<u>32,442</u>	<u>88,821</u>	<u>(421,263)</u>	<u>(300,000)</u>
Change in net position	1,215,768	567,488	631,141	2,414,397
Net position, beginning	<u>10,353,765</u>	<u>7,458,586</u>	<u>1,251,129</u>	<u>19,063,480</u>
Net position, ending	<u>\$ 11,569,533</u>	<u>\$ 8,026,074</u>	<u>\$ 1,882,270</u>	<u>\$ 21,477,877</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, 2022

	Business-Type Activities - Enterprise Funds			Total
	Sewer	Water	Fort Polk Vegetation Control	
Cash flows from operating activities:				
Receipts from customers	\$ 1,144,322	\$ 1,810,753	\$ 2,867,338	\$ 2,955,075
Payments to suppliers	(530,118)	(701,018)	(1,724,540)	(1,231,136)
Payments to employees	(434,068)	(326,341)	(108,192)	(760,409)
Other receipts	-	-	873	-
Net cash provided by operating activities	<u>180,136</u>	<u>783,394</u>	<u>1,035,479</u>	<u>963,530</u>
Cash flows from noncapital financing activities:				
Net decrease in customer meter deposits	-	(910)	-	(910)
Transfers from (to) other funds	<u>(1,371,086)</u>	<u>429,205</u>	<u>(667,582)</u>	<u>(941,881)</u>
Net cash provided (used) by noncapital financing activities	<u>(1,371,086)</u>	<u>428,295</u>	<u>(667,582)</u>	<u>(942,791)</u>
Cash flows from capital and related financing activities:				
Principal paid on bonds and notes payable	-	(308,000)	(221,348)	(308,000)
Interest and fiscal charges paid on revenue bonds	-	(110,411)	(13,619)	(110,411)
Proceeds from ad valorem taxes	184,375	-	-	184,375
Proceeds from grants	1,043,464	68,737	-	1,112,201
Acquisition of property, plant and equipment	<u>(38,087)</u>	<u>(613,004)</u>	<u>(132,930)</u>	<u>(651,091)</u>
Net cash provided (used) by capital and related financing activities	<u>1,189,752</u>	<u>(962,678)</u>	<u>(367,897)</u>	<u>227,074</u>
Cash flows from investing activities:				
Interest earned	<u>14,753</u>	<u>801</u>	<u>-</u>	<u>15,554</u>
Net increase in cash and cash equivalents	13,555	249,812	-	263,367
Cash and cash equivalents, beginning of period	<u>214,957</u>	<u>1,649,969</u>	<u>-</u>	<u>1,864,926</u>
Cash and cash equivalents, end of period	<u>\$ 228,512</u>	<u>\$ 1,899,781</u>	<u>\$ -</u>	<u>\$ 2,128,293</u>

(continued)

CITY OF LEESVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Funds (Continued)
 For the Year Ended June 30, 2022

	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)	\$ (79,194)	\$ 550,614	\$ 1,062,117	\$ 471,420
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	376,618	386,335	130,629	762,953
Pension expense	(55,312)	(102,500)	107,787	(157,812)
OPEB expense	(43,183)	(40,705)	(1,239)	(83,888)
Changes in current assets and liabilities:				
(Increase) decrease in accounts receivable	(166)	(10,746)	(267,757)	(10,912)
Decrease in prepaid items	4,404	1,549	1,971	5,953
Increase (decrease) in accounts payable	(21,385)	(2,684)	4,663	(24,069)
Increased (decrease) in compensated absences payable	(1,646)	1,531	(2,692)	(115)
Net cash provided by operating activities	<u>\$ 180,136</u>	<u>\$ 783,394</u>	<u>\$ 1,035,479</u>	<u>\$ 963,530</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	\$ 214,957	\$ -	\$ -	\$ 214,957
Cash and interest-bearing deposits - restricted	-	1,649,969	-	1,649,969
Total cash and cash equivalents, beginning of period	<u>214,957</u>	<u>1,649,969</u>	<u>-</u>	<u>1,864,926</u>
Cash and cash equivalents, end of period -				
Cash and interest-bearing deposits - unrestricted	\$ 228,512	\$ -	\$ -	\$ 228,512
Cash and interest-bearing deposits - restricted	-	1,899,781	-	1,899,781
Total cash and cash equivalents, end of period	<u>228,512</u>	<u>1,899,781</u>	<u>-</u>	<u>2,128,293</u>
Net increase	<u>\$ 13,555</u>	<u>\$ 249,812</u>	<u>\$ -</u>	<u>\$ 263,367</u>

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The City of Leesville, Louisiana was incorporated by proclamation of the Governor on February 15, 1900. The City operates under the council-administrator form of government, governed by the mayor and a six-member board. The City is located in the parish of Vernon and has a population of approximately 5,649.

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

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

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the City as an economic unit. The government-wide financial statements report the City's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the primary government. Fiduciary funds are omitted from the government-wide financial statements. The City has no fiduciary funds.

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

Fund Financial Statements

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

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Governmental Funds -

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

General Fund

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

Special Revenue Funds

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

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

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

Capital Projects Funds

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

Debt Service Funds

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

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proprietary Funds –

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

Enterprise Funds

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

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

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

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

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

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is grant revenue collected on a reimbursement basis.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

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

Cash, interest-bearing deposits, and investments

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

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customers' utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for customers' utility receivables was \$776,534 at June 30, 2022. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Interfund receivables and payables

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

Inventories

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022 are recorded as prepaid items. The City utilizes the consumption method to account for prepaid items.

Restricted Assets

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or fund financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at acquisition value at the date of donation. The City maintains a threshold level of \$5,000 or more for capitalizing capital assets.

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

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

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

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

Long-term debt

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

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Compensated Absences

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

Postemployment benefits other than pensions (OPEB)

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

Pensions

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Equity Classifications

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

- a. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, and contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation. At June 30, 2022, the City reported \$2,656,691 of restricted net position, \$1,924,725 of which was restricted by enabling legislation. It is the City's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.
- c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Revenues

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

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

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

Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures/Expenses

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

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

G. Use of Estimates

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

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

For the year ended June 30, 2022, taxes of 17.85 mills were levied on property with assessed valuations totaling \$50,603,890 and were dedicated as follows:

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

Total taxes levied were \$903,298. Taxes receivable at June 30, 2022 totaled \$29,704.

(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 (2022 collections \$3,912,822) 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 (2022 collections \$1,927,211) 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, 2022, the City had cash and interest-bearing deposits (book balances) totaling \$11,850,972 as follows

Demand deposits	\$ 138,257
Money market accounts	11,255,691
Time deposits	<u>457,024</u>
Total	<u>\$ 11,850,972</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, 2022, are secured as follows:

Bank balances	<u>\$ 12,551,845</u>
Federal deposit insurance	\$ 525,034
Pledged securities	<u>12,026,811</u>
Total	<u>\$ 12,551,845</u>

Deposits in the amount of \$12,026,811 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, 2022 of \$1,204,478 consist of the following:

	Governmental Activities	Business-Type Activities	Total
Accounts, net	\$ -	\$ 259,154	\$ 259,154
Unbilled utility	-	160,961	160,961
Ad valorem tax	29,704	-	29,704
Sales tax	583,113	-	583,113
Franchise tax	107,662	-	107,662
Other	63,884	-	63,884
Totals	<u>\$ 784,363</u>	<u>\$ 420,115</u>	<u>\$ 1,204,478</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units of \$569,766 at June 30, 2022 consist of the following:

Governmental activities:		
State of Louisiana - beer tax revenues receivable		\$ 5,400
State of Louisiana - Louisiana Department of Transportation and Development - Airport Improvement grants		7,701
Business-type activities:		
United States Army Garrison - Polk		527,715
State of Louisiana - Division of Administration		12,027
State of Louisiana - Department of Health and Hospitals		16,923
Total		<u>\$ 569,766</u>

(7) Restricted Assets

Restricted assets consist of the following at June 30, 2022:

Governmental activities:		
Construction		\$ 443,852
Business-type activities:		
Customer deposits		245,622
Revenue bond reserve and sinking funds		1,654,159
Total restricted assets		<u>\$ 2,343,633</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2022 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 289,026	\$ -	\$ -	\$ 289,026
Construction in progress	351,402	96,438	351,402	96,438
Other capital assets:				
Buildings and improvements	11,793,216	13,805	-	11,807,021
Equipment and vehicles	6,174,402	278,190	-	6,452,592
Infrastructure	28,979,141	685,379	-	29,664,520
Totals	<u>47,587,187</u>	<u>1,073,812</u>	<u>351,402</u>	<u>48,309,597</u>
Less accumulated depreciation				
Buildings and improvements	6,786,884	274,850	-	7,061,734
Equipment and vehicles	5,664,865	164,521	-	5,829,386
Infrastructure	19,240,404	521,204	-	19,761,608
Total accumulated depreciation	<u>31,692,153</u>	<u>960,575</u>	<u>-</u>	<u>32,652,728</u>
Governmental activities, capital assets, net	<u>\$15,895,034</u>	<u>\$ 113,237</u>	<u>\$ 351,402</u>	<u>\$15,656,869</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 157,249	\$ -	\$ -	\$ 157,249
Construction in progress	799,838	443,832	509,321	734,349
Other capital assets:				
Plant and system	32,352,713	649,790	-	33,002,503
Equipment and vehicles	1,281,340	199,720	-	1,481,060
Totals	<u>34,591,140</u>	<u>1,293,342</u>	<u>509,321</u>	<u>35,375,161</u>
Less accumulated depreciation				
Plant and system	16,413,665	739,993	-	17,153,658
Equipment and vehicles	560,876	153,589	-	714,465
Total accumulated depreciation	<u>16,974,541</u>	<u>893,582</u>	<u>-</u>	<u>17,868,123</u>
Business-type activities, capital assets, net	<u>\$17,616,599</u>	<u>\$ 399,760</u>	<u>\$ 509,321</u>	<u>\$17,507,038</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 21,057
Public safety	98,403
Public works	270,970
Economic development	456,008
Culture and recreation	<u>114,137</u>
Total depreciation expense	<u>\$ 960,575</u>

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

Sewer	\$ 376,618
Water	386,335
Fort Polk Vegetation Control	<u>130,629</u>
Total depreciation expense	<u>\$ 893,582</u>

(9) Accounts and Other Payables

The accounts and other payables of \$337,621 at June 30, 2022 consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts payable	\$ 101,994	\$ 48,410	\$ 150,404
Salaries payable	93,529	17,824	111,353
Payroll tax and employee benefits payable	63,609	-	63,609
Contracts and retainage payable	<u>12,255</u>	<u>-</u>	<u>12,255</u>
Totals	<u>\$ 271,387</u>	<u>\$ 66,234</u>	<u>\$ 337,621</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, 2021, with the principal due at July 3, 2022. The City did not utilize this line of credit during the year. There was no balance due at June 30, 2022.

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, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount due in one year</u>
Long-term debt:					
Direct placements:					
Revenue bonds	\$ 3,946,000	\$ -	\$ 369,000	\$ 3,577,000	\$ 385,000
Certificates of indebtedness	946,000	-	226,000	720,000	233,000
Note payable	35,449	-	-	35,449	-
Capital leases	879,346	172,075	368,761	682,660	320,100
Other liabilities:					
Compensated absences	432,803	-	61,112	371,691	-
	<u>\$ 6,239,598</u>	<u>\$ 172,075</u>	<u>\$ 1,024,873</u>	<u>\$ 5,386,800</u>	<u>\$ 938,100</u>

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

Bonds payable at June 30, 2022 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

\$ 720,000

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.

499,000

Total bonds payable applicable to governmental activities

\$ 1,219,000

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 \$ 140,000

\$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. 2,938,000

Total bonds payable applicable to business-type activities \$ 3,078,000

Capital leases payable at June 30, 2022 consist of the following:

	Original Amount	Maturity Date	Interest Rates	Balance Outstanding
Fire equipment	\$ 666,583	04/25/28	4.98%	\$ 237,114
Public works vehicle	49,380	08/05/23	4.125%	9,864
Public works equipment	63,831	09/17/23	4.275%	17,256
Public works equipment	136,000	01/15/25	2.590%	96,097
Public works equipment	66,606	07/15/21	3.430%	44,274
Police vehicles	105,469	07/20/21	3.950%	82,236
Maintenance equipment	950,000	03/27/23	4.39%	161,216
Maintenance equipment	73,133	09/16/19	3.74%	34,603
	<u>\$ 2,139,203</u>			<u>\$ 682,660</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
2023	\$ 296,000	\$ 33,748	\$ 322,000	\$ 76,309	\$ 618,000	\$ 110,057
2024	306,000	26,298	177,000	68,499	483,000	94,797
2025	315,000	16,279	183,000	63,278	498,000	79,557
2026	71,000	10,660	190,000	57,879	261,000	68,539
2027	74,000	7,760	196,000	52,274	270,000	60,034
2028 - 2032	157,000	6,340	1,087,000	170,482	1,244,000	176,822
2033 - 2035	-	-	923,000	21,772	923,000	21,772
Total	<u>\$ 1,219,000</u>	<u>\$ 101,085</u>	<u>\$ 3,078,000</u>	<u>\$ 510,493</u>	<u>\$ 4,297,000</u>	<u>\$ 611,578</u>

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

Year Ending June 30	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2024	\$ 161,650	\$ 180,239	\$ 341,889
2025	142,285	16,060	158,345
2026	122,718	4,014	126,732
2027	54,978	-	54,978
2028 - 2031	53,956	-	53,956
Less: Amount representing interest	(48,740)	(4,500)	(53,240)
Present value of future minimum lease payments	<u>\$ 486,847</u>	<u>\$ 195,813</u>	<u>\$ 682,660</u>

Leased equipment and vehicles under capital leases included in capital assets at June 30, 2022 are as follows:

Equipment and vehicles	\$2,105,731
Less: Accumulated depreciation	<u>(1,357,518)</u>
Net	<u>\$ 748,213</u>

Depreciation of leased equipment and vehicles under capital leases in the amount of \$167,711 for the year ended June 30, 2022 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, 2022, 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, 2022, the balance remaining on this note totaled \$35,449.

(12) Flow of Funds; Restrictions on Use

Business-type activities:

Water Fund –

Water Improvement Bond, Series 2007

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

During the year ended June 30, 2022, 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, 2022, 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, 2022, 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, 2022, the monthly sinking fund transfers were made as required by the agreement.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) Post Employment Health Care Benefits

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

Funding Policy: The City pays a flat subsidy for medical coverage of \$365.86 for single coverage and \$757.57 including spouse coverage and 50% of dental and vision contribution for retirees and dependents. The City recognizes the cost of providing these benefits (the City’s portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you go basis.

Employees Covered by Benefit Terms: At July 1, 2021 the following employees were covered by the benefit terms:

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

Total OPEB Liability

The City’s total OPEB liability of \$1,305,132 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

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

In the June 30, 2022, actuarial valuation individual entry age normal cost method – level percentage of projected salary was used. The discount rate used was 3.54% and was based on the Bond Buyer General Obligation 20-Bond Municipal Index. Mortality rates were based on RPH-2014 Total Table with Projection MP-2021.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Changes in the Total OPEB Liability

The following presents changes in the total OPEB liability.

Balance as of June 30, 2021	\$ 1,399,562
Changes for the year:	
Service cost	56,087
Interest cost	30,267
Difference between expected and actual experience	43,732
Changes in assumptions	(115,761)
Benefit payments	<u>(108,755)</u>
Net change in total OPEB liability	<u>(94,430)</u>
Balance as of June 30, 2022	<u>\$ 1,305,132</u>

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

	1% Decrease	Current Discount Rate	1% Increase
	2.54%	3.54%	4.54%
Total OPEB Liability	<u>\$ 1,388,820</u>	<u>\$ 1,305,132</u>	<u>\$ 1,224,259</u>

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

	1% Decrease	Current Trend Rate	1% Increase
	3.50%	4.50%	5.50%
Total OPEB Liability	<u>\$ 1,183,291</u>	<u>\$ 1,305,132</u>	<u>\$ 1,445,996</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

For the year ended June 30, 2022, the City recognized a net OPEB benefit of \$45,833. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 36,153	\$ 52,690
Changes of assumptions	<u>3,805</u>	<u>96,591</u>
Total	<u>\$ 39,958</u>	<u>\$ 149,281</u>

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

<u>Year Ended June 30</u>	<u>Net Amount Recognized in Pension Expense</u>
2023	\$ (23,432)
2024	(23,432)
2025	(23,432)
2026	(23,321)
2027	<u>(15,706)</u>
	<u>\$ (109,323)</u>

(14) Pension Plans

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

Plan Descriptions

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

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

	MERS	MPERS	FRS
Final average salary	Highest 60 months	Highest 36 months or 60 months 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, 2022 for the defined benefit pension plans in which the City is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Nonemployer Contributing Entities</u>	<u>Amount of Government Contributions</u>
MERS	5.00%	15.50%	\$ 47,065	\$ 263,152
MPERS	10.00%	29.75%	59,248	294,049
FRS	10.00%	33.75%	41,128	135,853

Net Pension Liability

The City’s net pension liability at June 30, 2022 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, 2021 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:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 1,090,916	1.883135%	-0.104560%
MPERS	1,413,261	0.265125%	-0.013700%
FRS	<u>510,198</u>	0.143967%	0.004361%
Total	<u>\$ 3,014,375</u>		

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Since the measurement date of the net pension liability was June 30, 2021, the net pension liability is based upon fiduciary net position for each of the plans as of that date. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for that fiscal year. The financial report for each plan may be accessed on their website as follows:

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

Actuarial Assumptions

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

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019	7/1/2009 - 6/30/2014
Expected remaining service lives	3	4	7
Inflation rate	2.500%	2.500%	2.500%
Investment rate of return	6.85%	6.750%	6.90%
Projected salary increases	4.9%-7.4%	4.70%-12.30%	5.20%-14.10%
Projected benefit changes including COLAs	None	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5)	(5), (6)

- (1) PubG-2010(b) Healthy Retiree Table set equal to 120% for males and females using respective male and female MP2018 scales.
- (2) PubG-2010(B) Employee Table set equal to 120% for males and females using respective male and female MP2018 scales.
- (3) PubNS-2010(B) Disabled Retiree Tables set equal to 120% for males and females with full generational MP2018 scale.
- (4) Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.
- (5) Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using MP2019 scales.
- (6) Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Cost of Living Adjustments

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

Discount Rate

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

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>
Discount rate	6.85%	6.75%	6.90%
Change in discount rate from prior valuation	-0.10%	-0.20%	-0.10%
Plan cash flow assumptions	(1)	(1)	(1)
Rates incorporated in the Discount Rate:			
Long-term Rate of Return	6.85%	6.75%	6.90%
Periods applied	All	All	All
Municipal Bond Rate	N/A	N/A	N/A

*Plan Cash Flow Assumptions:

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

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Asset Class	MERS*		MPERS*		FRS*	
	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Fixed Income	38%	1.65%	30.5%	0.59%	26%	1.37%
Equities	53%	2.31%	55.5%	3.47%	56%	6.83%
Alternative Investments	9%	0.39%	14%	1.01%	18%	7.42%
Other	-	-	-	-	-	-
Total	<u>100%</u>		<u>100%</u>		<u>100%</u>	

*Arithmetic real rates of return

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2022, the City Jury recognized \$127,993 in pension expense (benefit) related to all defined benefit plans in which it participates. MERS, MPERS, and FRS recognized revenues in the amount of \$147,441 in ad valorem taxes and insurance premium tax monies collected from nonemployer contributing entities

At June 30, 2022, 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	\$ 7,281	\$ 134,360
Changes of assumptions	311,215	40,314
Net difference between projected and actual earnings on pension plan investments	-	1,264,309
Change in proportion and differences between employer contributions and proportionate share of contributions	117,983	468,318
Employer contributions subsequent to the measurement date	<u>693,054</u>	<u>-</u>
Total	<u>\$ 1,129,533</u>	<u>\$ 1,907,301</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred outflows of resources of \$693,054 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Year Ended December 31</u>	<u>Net Amount Recognized in Pension Expense</u>
2023	\$ (458,285)
2024	(335,451)
2025	(308,582)
2026	(407,897)
2027	28,475
Thereafter	<u>10,918</u>
	<u>\$ (1,470,822)</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	6.85%	\$ 1,673,692	\$ 1,090,916	\$ 597,997
MPERS	6.75%	2,463,091	1,413,261	537,008
FRS	6.90%	<u>978,777</u>	<u>510,198</u>	<u>119,408</u>
Total		<u>\$ 5,115,560</u>	<u>\$ 3,014,375</u>	<u>\$ 1,254,413</u>

Payables to Pension Plans

At June 30, 2022, 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 offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan administered by the Louisiana Deferred Compensation Commission. The plan, regulated under the provisions of Title 32, Part VII of the Louisiana Administrative Code, is a defined contribution plan established in accordance with the Internal Revenue Code Section 457. The plan is a retirement savings plan allowing eligible employees to supplement any existing retirement and pension benefits by saving and investing pre-tax and/or after-tax dollars through a voluntary salary contribution.

Contributions to Section 457 plans are determined by the U.S. Department of the Treasury's Internal Revenue Service. In 2022, participants in the plan may contribute up to 100% of earnable compensation or \$20,500, whichever is less. Participants in the plan have two different options to catch-up and contribute more when nearing retirement. In the three calendar years prior to normal retirement age, the special catch-up allows participants to contribute up to \$41,000 in 2022. Also, participants who were age 50 or older by the end of the calendar year are eligible to make additional catch-up contributions of up to \$6,500.

The City has opted to match participating employees' elective deferrals up to 3%. For the year ended June 30, 2022, the City contributed \$14,060 to the plan. No amounts were payable to the plan at June 30, 2022.

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

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

(16) Litigation and Claims

At June 30, 2022, the City of Leesville was a defendant in several lawsuits. The City's legal counsel has reviewed the claims and lawsuits, in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City not covered by insurance. As a result of the review, no additional claims payable was required to be recorded as a liability to the City, which are not considered covered by insurance.

(17) Risk Management

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(18) On-Behalf Payment of Salaries

The State of Louisiana paid the City’s policemen and firemen \$167,667 of supplemental pay during the year ended June 30, 2022. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and Public Safety Special Revenue Fund financial statements.

(19) 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, 2022 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 13,000
Car expenses	4,436
Per diem	2,716
Reimbursements	545
Conference travel	3,254
	<u>\$ 23,951</u>

(20) Compensation of City Officials

A detail of compensation paid to the Mayor and Council Members for the year ended June 30, 2022 follows:

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(21) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at June 30, 2022:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 524,431	\$ 158,796
Sales Tax Fund	-	6,340,855
Public Safety Fund	431,081	-
Non major governmental funds:		
Main Street Program	76,877	-
2002 Certificates of Indebtedness	-	7,524
Airport Construction	19,116	-
Improvements Capital Projects	<u>273,552</u>	<u>-</u>
Total governmental funds	<u>1,325,057</u>	<u>6,507,175</u>
Proprietary funds:		
Sewer Fund	2,764,180	25,346
Water Fund	1,443,552	111,904
Fort Polk Vegetation Control	<u>1,111,636</u>	<u>-</u>
Total proprietary funds	<u>5,319,368</u>	<u>137,250</u>
Total	<u>\$ 6,644,425</u>	<u>\$ 6,644,425</u>

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

B. Transfers consisted of the following at June 30, 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 1,134,246	\$ 5,000
Sales Tax Fund	-	2,500,000
Public Safety Fund	1,850,000	-
Non major governmental funds:		
Mainstreet Program Fund	5,000	-
Sales Tax Sinking Fund	<u>-</u>	<u>184,246</u>
Total governmental funds	2,989,246	2,689,246
Proprietary funds:		
Fort Polk Vegetation Control	<u>-</u>	<u>421,263</u>
Total	<u>\$ 3,110,509</u>	<u>\$ 3,110,509</u>

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 982,229	\$ 1,093,817	\$ 1,050,107	\$ (43,710)
Licenses and permits	413,000	542,631	634,043	91,412
Intergovernmental	35,910	61,457	66,631	5,174
Charges for services	180,601	192,021	220,312	28,291
Miscellaneous	58,265	121,526	117,219	(4,307)
Total revenues	<u>1,670,005</u>	<u>2,011,452</u>	<u>2,088,312</u>	<u>76,860</u>
Expenditures:				
Current:				
General government:				
General and administrative	888,995	917,790	957,141	(39,351)
Executive	79,410	77,035	79,287	(2,252)
Legal	46,909	47,075	46,055	1,020
Public works	1,082,645	1,033,701	1,042,218	(8,517)
Economic development	164,550	156,050	234,566	(78,516)
Debt service	-	163,693	163,693	-
Capital outlay	227,656	240,647	144,208	96,439
Total expenditures	<u>2,490,165</u>	<u>2,635,991</u>	<u>2,667,168</u>	<u>(31,177)</u>
Deficiency of revenues over expenditures	<u>(820,160)</u>	<u>(624,539)</u>	<u>(578,856)</u>	<u>45,683</u>
Other financing sources (uses):				
Proceeds from capital lease	-	66,606	66,606	-
Transfers in	950,000	950,000	1,134,246	184,246
Transfers out	(5,000)	(5,000)	(5,000)	-
Total other financing sources (uses)	<u>945,000</u>	<u>1,011,606</u>	<u>1,195,852</u>	<u>184,246</u>
Net change in fund balance	124,840	387,067	616,996	229,929
Fund balance, beginning	<u>597,204</u>	<u>597,204</u>	<u>597,204</u>	<u>-</u>
Fund balance, ending	<u>\$ 722,044</u>	<u>\$ 984,271</u>	<u>\$ 1,214,200</u>	<u>\$ 229,929</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, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,600,000	\$ 3,754,170	\$ 3,912,822	\$ 158,652
Charges for services	2,410	7,399	19,732	12,333
Miscellaneous	<u>38,705</u>	<u>86,284</u>	<u>110,510</u>	<u>24,226</u>
Total revenues	<u>3,641,115</u>	<u>3,847,853</u>	<u>4,043,064</u>	<u>195,211</u>
Expenditures:				
Current:				
General government	173,945	154,148	151,270	2,878
Culture and recreation	426,800	472,351	470,181	2,170
Debt service	-	7,659	7,659	-
Capital outlay	<u>199,000</u>	<u>196,705</u>	<u>98,898</u>	<u>97,807</u>
Total expenditures	<u>799,745</u>	<u>830,863</u>	<u>728,008</u>	<u>102,855</u>
Excess of revenues over expenditures	2,841,370	3,016,990	3,315,056	298,066
Other financing uses:				
Transfers out	<u>(2,350,000)</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>-</u>
Net change in fund balance	491,370	516,990	815,056	298,066
Fund balance, beginning	<u>1,831,546</u>	<u>1,831,546</u>	<u>1,831,546</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,322,916</u>	<u>\$ 2,348,536</u>	<u>\$ 2,646,602</u>	<u>\$ 298,066</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, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,770,000	\$ 1,877,566	\$ 1,927,211	\$ 49,645
Intergovernmental	16,860	22,583	200,632	178,049
Charges for services	71,250	63,661	70,523	6,862
Fines and forfeitures	96,000	74,930	87,587	12,657
Miscellaneous	-	29,954	31,931	1,977
Total revenues	<u>1,954,110</u>	<u>2,068,694</u>	<u>2,317,884</u>	<u>249,190</u>
Expenditures:				
Current:				
General government	7,000	4,610	4,610	-
Public Safety:				
Police	2,289,156	2,379,014	2,516,390	(137,376)
Fire	1,063,734	1,183,394	1,199,189	(15,795)
City Court	102,869	111,495	109,962	1,533
Debt service	-	81,668	81,668	-
Capital outlay	<u>141,600</u>	<u>198,586</u>	<u>198,584</u>	<u>2</u>
Total expenditures	<u>3,604,359</u>	<u>3,958,767</u>	<u>4,110,403</u>	<u>(151,636)</u>
Deficiency of revenues over expenditures	(1,650,249)	(1,890,073)	(1,792,519)	97,554
Other financing sources (uses):				
Proceeds from capital lease	-	105,469	105,469	-
Transfers in	<u>1,700,000</u>	<u>1,850,000</u>	<u>1,850,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,700,000</u>	<u>1,955,469</u>	<u>1,955,469</u>	<u>-</u>
Net change in fund balance	49,751	65,396	162,950	97,554
Fund balance, beginning	<u>408,671</u>	<u>408,671</u>	<u>408,671</u>	<u>-</u>
Fund balance, ending	<u>\$ 458,422</u>	<u>\$ 474,067</u>	<u>\$ 571,621</u>	<u>\$ 97,554</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, 2022

	2022	2021	2020	2019	2018
Service cost	\$ 56,087	\$ 56,087	\$ 64,490	\$ 64,490	\$ 62,081
Interest cost	30,267	32,775	56,931	53,351	54,390
Experience (gain)/loss	43,732	(75,570)	-	-	-
Assumption changes	(115,761)	5,471	(1,646)	-	-
Benefit payments	<u>(108,755)</u>	<u>(92,292)</u>	<u>(98,962)</u>	<u>(81,165)</u>	<u>(81,165)</u>
Net change in total OPEB liability	(94,430)	(73,529)	20,813	36,676	35,306
Total OPEB liability - beginning	<u>1,399,562</u>	<u>1,473,091</u>	<u>1,452,278</u>	<u>1,415,602</u>	<u>1,380,296</u>
Total OPEB liability - ending	<u>\$1,305,132</u>	<u>\$1,399,562</u>	<u>\$1,473,091</u>	<u>\$1,452,278</u>	<u>\$1,415,602</u>
Net OPEB liability	\$1,305,132	\$1,399,562	\$1,473,091	\$1,452,278	\$1,415,602
Covered-employee payroll	\$1,349,252	\$1,622,579	\$1,622,579	\$1,744,817	\$1,744,817
Total OPEB liability as a percentage of covered-employee payroll	96.73%	86.26%	90.79%	83.23%	81.13%

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

The accompanying notes are an integral part of this schedule.

CITY OF LEESVILLE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2022 *

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:					
2022	1.883135%	\$1,090,916	\$1,446,235	75.4%	79.14%
2021	1.987695%	1,801,301	1,500,808	120.0%	66.26%
2020	2.112869%	1,848,366	1,558,013	118.6%	66.14%
2019	1.991868%	1,684,785	1,476,518	114.1%	65.60%
2018	2.098982%	1,816,108	1,557,989	116.6%	63.49%
2017	1.936110%	1,604,858	1,371,725	117.0%	63.34%
2016	1.795844%	1,220,540	1,250,574	97.6%	68.71%
2015	1.775620%	833,647	1,253,098	66.5%	76.94%
Municipal Police Employees' Retirement System of Louisiana:					
2022	0.265125%	\$1,413,261	\$ 794,687	177.8%	84.09%
2021	0.278825%	2,576,993	848,847	303.6%	70.94%
2020	0.295025%	2,679,321	997,540	268.6%	71.01%
2019	0.345777%	2,923,220	942,814	310.1%	71.89%
2018	0.290841%	2,539,165	866,705	293.0%	70.08%
2017	0.243255%	2,279,985	687,910	331.4%	66.04%
2016	0.222398%	1,742,256	596,959	291.9%	70.73%
2015	0.245436%	1,535,468	707,707	217.0%	75.10%
Firefighters' Retirement System of Louisiana:					
2022	0.143967%	\$ 510,198	\$ 361,111	141.3%	86.78%
2021	0.139606%	967,686	347,563	278.4%	72.61%
2020	0.121214%	759,031	292,957	259.1%	73.96%
2019	0.130652%	751,520	311,062	241.6%	74.76%
2018	0.156744%	898,433	363,158	247.4%	73.55%
2017	0.147331%	963,678	347,797	277.1%	68.16%
2016	0.186639%	1,007,312	396,812	253.9%	72.45%
2015	0.228325%	1,016,026	456,415	222.6%	76.02%

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

This schedule is intended to show information for 10 years. Additional years will be displayed as they become 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, 2022

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:					
2022	\$ 263,152	\$ 263,152	\$ -	\$ 1,697,752	15.50%
2021	224,166	224,166	-	1,446,235	15.50%
2020	210,113	210,113	-	1,500,808	14.00%
2019	218,122	218,122	-	1,558,013	14.00%
2018	195,639	195,639	-	1,476,518	13.25%
2017	171,379	168,805	2,574	1,557,989	10.83%
2016	130,314	130,295	19	1,371,725	9.50%
2015	118,786	118,786	-	1,250,384	9.50%
Municipal Police Employees' Retirement System of Louisiana:					
2022	\$ 294,049	\$ 294,049	\$ -	\$ 988,399	29.75%
2021	268,207	267,426	781	794,687	33.65%
2020	275,875	278,579	(2,704)	848,847	32.82%
2019	321,707	321,707	-	997,540	32.25%
2018	289,915	289,922	(7)	942,814	30.75%
2017	275,179	275,180	(1)	866,705	31.75%
2016	202,933	203,882	(949)	687,910	29.64%
2015	188,042	188,042	-	596,959	31.50%
Firefighters' Retirement System of Louisiana:					
2022	\$ 135,852	\$ 135,853	\$ (1)	\$ 402,525	33.75%
2021	116,458	116,458	-	361,111	32.25%
2020	96,449	96,449	-	347,563	27.75%
2019	77,634	77,634	-	292,957	26.50%
2018	82,431	82,431	-	311,062	26.50%
2017	91,697	91,698	(1)	363,158	25.25%
2016	94,775	94,929	(154)	347,797	27.29%
2015	116,018	116,018	-	396,643	29.25%

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

The accompanying notes are an integral part of this schedule.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(1) Budget and Budgetary Accounting

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

1. The City Administrator prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Council not later than May 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 Public Safety Special Revenue Fund incurred expenditures in excess of appropriations totaling \$31,177 and \$151,636, respectively, for the year ended June 30, 2022.

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(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, 2022 for the various pension plans reflect the following changes used to measure the total pension liability:

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

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

CITY OF LEESVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) OPEB Plan

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

Changes of Assumptions – Amounts reported in fiscal year ended June 30, 2022 for the OPEB plan reflect the following changes used to measure total OPEB liability.

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

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

SUPPLEMENTARY INFORMATION

CITY OF LEESVILLE, LOUISIANA

Statement of Net Position

June 30, 2022

With Comparative Totals for June 30, 2021

	2022		Total	2021 Totals
	Governmental Activities	Business-Type Activities		
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 9,278,827	\$ 228,512	\$ 9,507,339	\$ 6,796,846
Receivables	784,363	420,115	1,204,478	1,102,935
Due from other governmental agencies	13,101	556,665	569,766	512,956
Inventories	108,011	-	108,011	205,409
Other assets	89,998	6,633	96,631	79,195
Total current assets	<u>10,274,300</u>	<u>1,211,925</u>	<u>11,486,225</u>	<u>8,697,341</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	443,852	1,899,781	2,343,633	2,111,433
Capital assets:				
Land and construction in progress	385,464	891,598	1,277,062	1,597,515
Capital assets, net	<u>15,271,405</u>	<u>16,615,440</u>	<u>31,886,845</u>	<u>31,914,118</u>
Total noncurrent assets	<u>16,100,721</u>	<u>19,406,819</u>	<u>35,507,540</u>	<u>35,623,066</u>
Total assets	<u>26,375,021</u>	<u>20,618,744</u>	<u>46,993,765</u>	<u>44,320,407</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension plans	1,020,617	108,916	1,129,533	1,689,387
OPEB obligation	<u>34,558</u>	<u>5,400</u>	<u>39,958</u>	<u>4,638</u>
Total deferred inflows of resources	<u>1,055,175</u>	<u>114,316</u>	<u>1,169,491</u>	<u>1,694,025</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	271,387	66,234	337,621	464,509
Interest payable	9,087	2,765	11,852	16,089
Advance fuel sales	23,305	-	23,305	96,553
Internal balances	5,182,118	(5,182,118)	-	-
Customer deposits payable	-	245,622	245,622	246,532
Bonds, notes, and leases due within one year	<u>439,863</u>	<u>498,237</u>	<u>938,100</u>	<u>909,465</u>
Total current liabilities	<u>5,925,760</u>	<u>(4,369,260)</u>	<u>1,556,500</u>	<u>1,733,148</u>
Noncurrent liabilities:				
Compensated absences payable	317,675	54,016	371,691	432,803
Bonds, notes, and leases due after one year	1,265,978	2,811,031	4,077,009	4,897,330
OPEB obligation payable	1,128,762	176,370	1,305,132	1,399,562
Net pension liability	<u>2,609,479</u>	<u>404,896</u>	<u>3,014,375</u>	<u>5,345,980</u>
Total noncurrent liabilities	<u>5,321,894</u>	<u>3,446,313</u>	<u>8,768,207</u>	<u>12,075,675</u>
Total liabilities	<u>11,247,654</u>	<u>(922,947)</u>	<u>10,324,707</u>	<u>13,808,823</u>
DEFERRED INFLOWS OF RESOURCES				
Pension plans	1,749,345	157,956	1,907,301	839,687
OPEB obligation	<u>129,107</u>	<u>20,174</u>	<u>149,281</u>	<u>65,364</u>
Total deferred inflows of resources	<u>1,878,452</u>	<u>178,130</u>	<u>2,056,582</u>	<u>905,051</u>
NET POSITION				
Net investment in capital assets	13,951,028	15,849,164	29,800,192	28,410,912
Restricted for debt service	-	-	-	173,513
Restricted for capital projects	731,966	-	731,966	758,001
Restricted for sales tax dedications	1,924,725	-	1,924,725	1,243,232
Unrestricted	<u>(2,303,629)</u>	<u>5,628,713</u>	<u>3,325,084</u>	<u>714,900</u>
Total net position	<u>\$14,304,090</u>	<u>\$ 21,477,877</u>	<u>\$ 35,781,967</u>	<u>\$ 31,300,558</u>

CITY OF LEESVILLE, LOUISIANA

Comparative Balance Sheet - Major Governmental Funds
June 30, 2022

	General		Sales Tax		Public Safety	
	2022	2021	2022	2021	2022	2021
ASSETS						
Cash and interest-bearing deposits	\$ 662,937	\$ 758,250	\$ 8,608,290	\$ 5,813,693	\$ -	\$ -
Receivables -						
Due from other funds	524,431	659,515	-	-	431,081	233,019
Due from other governmental agencies	5,400	77,925	-	-	-	-
Other	201,250	109,505	390,686	391,432	192,427	192,795
Prepaid items	56,820	25,866	9,463	6,142	23,715	32,630
Inventories	108,011	205,409	-	-	-	-
Total assets	<u>\$ 1,558,849</u>	<u>\$ 1,836,470</u>	<u>\$ 9,008,439</u>	<u>\$ 6,211,267</u>	<u>\$ 647,223</u>	<u>\$ 458,444</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 73,658	\$ 117,705	\$ 11,556	\$ 6,206	\$ 18,403	\$ 6,321
Accrued liabilities	88,890	78,131	9,426	7,443	57,199	43,452
Due to other funds	158,796	946,877	6,340,855	4,366,072	-	-
Advance fuel sales	23,305	96,553	-	-	-	-
Total liabilities	<u>344,649</u>	<u>1,239,266</u>	<u>6,361,837</u>	<u>4,379,721</u>	<u>75,602</u>	<u>49,773</u>
Fund balances -						
Nonspendable	164,831	231,275	9,463	6,142	23,715	32,630
Restricted	-	-	1,924,725	1,243,232	-	-
Committed	-	-	712,414	582,172	547,906	376,041
Unassigned	1,049,369	365,929	-	-	-	-
Total fund balances	<u>1,214,200</u>	<u>597,204</u>	<u>2,646,602</u>	<u>1,831,546</u>	<u>571,621</u>	<u>408,671</u>
Total liabilities and fund balances	<u>\$ 1,558,849</u>	<u>\$ 1,836,470</u>	<u>\$ 9,008,439</u>	<u>\$ 6,211,267</u>	<u>\$ 647,223</u>	<u>\$ 458,444</u>

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				
	Budget		Actual	Variance with Final Budget	2021 Actual
	Original	Final		Positive (Negative)	
Revenues:					
Taxes	\$ 982,229	\$1,093,817	\$1,050,107	\$ (43,710)	\$ 808,084
Licenses and permits	413,000	542,631	634,043	91,412	439,030
Intergovernmental	35,910	61,457	66,631	5,174	71,666
Charges for services	180,601	192,021	220,312	28,291	190,678
Miscellaneous	58,265	121,526	117,219	(4,307)	84,334
Total revenues	<u>1,670,005</u>	<u>2,011,452</u>	<u>2,088,312</u>	<u>76,860</u>	<u>1,593,792</u>
Expenditures:					
Current:					
General government:					
General and administrative	888,995	917,790	957,141	(39,351)	846,776
Executive	79,410	77,035	79,287	(2,252)	70,197
Legal	46,909	47,075	46,055	1,020	47,281
Public works	1,082,645	1,033,701	1,042,218	(8,517)	921,391
Economic development	164,550	156,050	234,566	(78,516)	226,237
Debt service	-	163,693	163,693	-	120,631
Capital outlay	227,656	240,647	144,208	96,439	428,412
Total expenditures	<u>2,490,165</u>	<u>2,635,991</u>	<u>2,667,168</u>	<u>(31,177)</u>	<u>2,660,925</u>
Deficiency of revenues over expenditures	<u>(820,160)</u>	<u>(624,539)</u>	<u>(578,856)</u>	<u>45,683</u>	<u>(1,067,133)</u>
Other financing sources (uses):					
Proceeds from capital lease	-	66,606	66,606	-	136,000
Transfers in	950,000	950,000	1,134,246	184,246	1,000,000
Transfers out	(5,000)	(5,000)	(5,000)	-	(6,850)
Total other financing sources (uses)	<u>945,000</u>	<u>1,011,606</u>	<u>1,195,852</u>	<u>184,246</u>	<u>1,129,150</u>
Net change in fund balance	124,840	387,067	616,996	229,929	62,017
Fund balance, beginning	<u>597,204</u>	<u>597,204</u>	<u>597,204</u>	<u>-</u>	<u>535,187</u>
Fund balance, ending	<u>\$ 722,044</u>	<u>\$ 984,271</u>	<u>\$1,214,200</u>	<u>\$ 229,929</u>	<u>\$ 597,204</u>

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 602,229	\$ 640,854	\$ 564,372	\$ (76,482)	\$ 429,041
Franchise	380,000	452,963	485,735	32,772	379,043
Total taxes	<u>982,229</u>	<u>1,093,817</u>	<u>1,050,107</u>	<u>(43,710)</u>	<u>808,084</u>
Licenses and permits:					
Occupational licenses	400,000	506,628	597,889	91,261	421,943
Permits	13,000	36,003	36,154	151	17,087
Total licenses and permits	<u>413,000</u>	<u>542,631</u>	<u>634,043</u>	<u>91,412</u>	<u>439,030</u>
Intergovernmental:					
State of Louisiana -					
Beer taxes	21,500	19,709	19,709	-	21,295
Federal and state grants	14,410	41,748	46,922	5,174	50,371
Total intergovernmental	<u>35,910</u>	<u>61,457</u>	<u>66,631</u>	<u>5,174</u>	<u>71,666</u>
Charges for services:					
Inspection fees	2,050	12,865	13,470	605	2,695
Airport hanger rent	29,151	26,692	26,723	31	28,870
Airport fuel sales	50,000	69,264	95,045	25,781	62,129
Industrial park	98,400	82,800	81,600	(1,200)	96,400
Miscellaneous	1,000	400	3,474	3,074	584
Total charges for services	<u>180,601</u>	<u>192,021</u>	<u>220,312</u>	<u>28,291</u>	<u>190,678</u>
Miscellaneous:					
Interest	775	931	2,116	1,185	961
Video bingo	50,000	73,416	64,005	(9,411)	65,017
Other sources	7,490	47,179	51,098	3,919	18,356
Total miscellaneous	<u>58,265</u>	<u>121,526</u>	<u>117,219</u>	<u>(4,307)</u>	<u>84,334</u>
Total revenues	<u>\$1,670,005</u>	<u>\$2,011,452</u>	<u>\$2,088,312</u>	<u>\$ 76,860</u>	<u>\$1,593,792</u>

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government:					
General and administrative -					
Salaries and wages	\$ 409,305	\$ 414,433	\$ 413,303	\$ 1,130	\$ 376,924
Payroll taxes	31,990	31,606	31,178	428	28,688
Retirement contribution	61,605	60,537	59,962	575	53,793
Deferred compensation	5,274	5,075	5,333	(258)	4,898
Hospitalization	21,660	24,859	28,778	(3,919)	19,530
Insurance	82,212	81,869	95,562	(13,693)	91,720
Materials and supplies	39,850	54,727	47,715	7,012	38,012
Advertisements and recordings	10,000	4,545	5,495	(950)	9,194
Accounting and auditing	21,000	15,425	15,425	-	18,825
Professional fees	-	13,358	13,907	(549)	450
Miscellaneous	61,600	49,219	63,410	(14,191)	60,338
Utilities and telephone	42,999	46,852	43,573	3,279	42,062
Repairs and maintenance	60,000	69,544	95,296	(25,752)	61,949
Dues	2,000	3,125	5,275	(2,150)	3,190
Travel	6,500	10	10	-	561
Uniforms	27,000	32,878	27,691	5,187	27,948
Annexation related costs	-	2,551	2,551	-	6,000
Legal fees	1,000	2,177	2,177	-	2,694
Fort Polk Progress	5,000	5,000	500	4,500	-
Total general and administrative	<u>888,995</u>	<u>917,790</u>	<u>957,141</u>	<u>(39,351)</u>	<u>846,776</u>
Executive -					
Salaries	54,760	54,760	54,974	(214)	54,920
Payroll taxes	4,205	4,189	4,188	1	4,188
Hospitalization	45	44	52	(8)	49
Insurance	400	390	344	46	211
Office supplies	-	2,494	2,494	-	-
Travel	15,000	9,363	9,445	(82)	7,729
Public relations	5,000	5,795	7,790	(1,995)	3,100
Total executive	<u>79,410</u>	<u>77,035</u>	<u>79,287</u>	<u>(2,252)</u>	<u>70,197</u>

(continued)

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Legal -					
Salaries	36,010	36,002	36,000	2	36,099
Payroll taxes	2,756	3,162	3,161	1	3,137
Insurance	143	138	121	17	75
Legal fees	8,000	7,773	6,773	1,000	7,970
Total legal	<u>46,909</u>	<u>47,075</u>	<u>46,055</u>	<u>1,020</u>	<u>47,281</u>
Public works:					
Salaries	432,948	445,384	438,462	6,922	415,014
Payroll taxes	32,142	33,045	32,985	60	31,364
Retirement contribution	64,628	63,450	62,609	841	59,184
Deferred compensation	2,540	2,250	2,414	(164)	2,994
Hospitalization	38,340	34,186	37,928	(3,742)	29,018
Maintenance and supplies	263,500	220,077	228,565	(8,488)	175,535
Dumpster service	7,760	9,368	7,549	1,819	7,711
Utilities and telephone	111,100	119,577	130,603	(11,026)	109,062
Insurance	87,087	88,194	84,175	4,019	55,150
Miscellaneous	42,600	18,170	16,928	1,242	36,359
Total public works	<u>1,082,645</u>	<u>1,033,701</u>	<u>1,042,218</u>	<u>(8,517)</u>	<u>921,391</u>
Economic development -					
Salaries	43,000	43,707	42,521	1,186	42,692
Payroll taxes	3,800	3,751	3,666	85	3,631
Maintenance and supplies	26,500	29,167	26,210	2,957	28,908
Fuel	55,000	55,322	75,352	(20,030)	60,029
Utilities and telephone	29,630	16,205	16,693	(488)	26,114
Insurance	4,620	6,302	68,495	(62,193)	63,877
Miscellaneous	2,000	1,596	1,629	(33)	986
Total economic development	<u>164,550</u>	<u>156,050</u>	<u>234,566</u>	<u>(78,516)</u>	<u>226,237</u>

(continued)

CITY OF LEESVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Debt service:					
Retirement of principal	-	136,836	136,836	-	93,018
Interest and fiscal charges	-	26,857	26,857	-	27,613
Total debt service	<u>-</u>	<u>163,693</u>	<u>163,693</u>	<u>-</u>	<u>120,631</u>
Capital outlay:					
General government	82,180	-	-	-	-
Public works	145,476	228,647	120,902	107,745	392,685
Economic development	-	12,000	23,306	(11,306)	35,727
Total capital outlay	<u>227,656</u>	<u>240,647</u>	<u>144,208</u>	<u>96,439</u>	<u>428,412</u>
Total expenditures	<u>\$2,490,165</u>	<u>\$2,635,991</u>	<u>\$2,667,168</u>	<u>\$ (31,177)</u>	<u>\$2,660,925</u>

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

Budgetary Comparison Schedule
For the Year Ended June 30, 2022

With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022				2021 Actual
	Budget		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
Revenues:					
Taxes	\$ 3,600,000	\$ 3,754,170	\$ 3,912,822	\$ 158,652	\$ 3,711,008
Charges for services	2,410	7,399	19,732	12,333	3,101
Miscellaneous	38,705	86,284	110,510	24,226	51,482
Total revenues	<u>3,641,115</u>	<u>3,847,853</u>	<u>4,043,064</u>	<u>195,211</u>	<u>3,765,591</u>
Expenditures:					
Current -					
General government:					
Salaries and wages	76,550	55,928	58,451	(2,523)	59,758
Payroll taxes	5,856	4,578	4,854	(276)	4,955
Retirement contribution	11,160	7,912	8,232	(320)	8,584
Deferred compensation	520	360	524	(164)	280
Hospitalization	20	-	-	-	16
Collection fees	65,000	69,523	64,883	4,640	62,902
Litigation expense	-	-	-	-	5,000
Miscellaneous	14,839	15,847	14,326	1,521	9,504
Total general government	<u>173,945</u>	<u>154,148</u>	<u>151,270</u>	<u>2,878</u>	<u>150,999</u>
Culture and recreation:					
Recreation department	191,593	204,657	201,358	3,299	167,192
Recreation complex	48,022	78,356	76,147	2,209	62,190
Neighborhood center	178,265	176,259	183,712	(7,453)	118,529
Leisure pool	8,920	13,079	8,964	4,115	9,111
Total culture and recreation	<u>426,800</u>	<u>472,351</u>	<u>470,181</u>	<u>2,170</u>	<u>357,022</u>
Debt service -					
Retirement of principal	-	7,294	7,294	-	6,957
Interest and fiscal charges	-	365	365	-	702
Total debt service	<u>-</u>	<u>7,659</u>	<u>7,659</u>	<u>-</u>	<u>7,659</u>
Capital outlay -					
Culture and recreation:					
Recreation department	185,000	193,156	98,898	94,258	79,341
Neighborhood center	14,000	3,549	-	3,549	6,242
Total capital outlay	<u>199,000</u>	<u>196,705</u>	<u>98,898</u>	<u>97,807</u>	<u>85,583</u>
Total expenditures	<u>799,745</u>	<u>830,863</u>	<u>728,008</u>	<u>102,855</u>	<u>601,263</u>
Excess of revenues over expenditures	2,841,370	3,016,990	3,315,056	298,066	3,164,328
Other financing uses:					
Transfers out	<u>(2,350,000)</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>-</u>	<u>(1,967,809)</u>
Net change in fund balance	491,370	516,990	815,056	298,066	1,196,519
Fund balance, beginning	<u>1,831,546</u>	<u>1,831,546</u>	<u>1,831,546</u>	<u>-</u>	<u>635,027</u>
Fund balance, ending	<u>\$ 2,322,916</u>	<u>\$ 2,348,536</u>	<u>\$ 2,646,602</u>	<u>\$ 298,066</u>	<u>\$ 1,831,546</u>

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

Budgetary Comparison Schedule
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 1,770,000	\$ 1,877,566	\$ 1,927,211	\$ 49,645	\$ 1,827,810
Intergovernmental	16,860	22,583	200,632	178,049	186,878
Fines and forfeitures	96,000	74,930	87,587	12,657	139,384
Charges for services	71,250	63,661	70,523	6,862	91,624
Miscellaneous	-	29,954	31,931	1,977	45,624
Total revenues	<u>1,954,110</u>	<u>2,068,694</u>	<u>2,317,884</u>	<u>249,190</u>	<u>2,291,320</u>
Expenditures:					
Current -					
General Government:					
Accounting and auditing	7,000	4,610	4,610	-	5,630
Public safety:					
Police -					
Salaries and wages	1,208,396	1,277,557	1,408,653	(131,096)	1,316,312
Payroll taxes	98,254	101,451	99,119	2,332	93,021
Retirement contribution	275,000	306,992	312,349	(5,357)	280,566
Hospitalization	78,600	78,411	91,080	(12,669)	84,010
Insurance	189,556	194,483	182,621	11,862	138,379
Telephone and utilities	65,500	75,811	74,111	1,700	71,178
Maintenance and supplies	203,000	232,405	230,392	2,013	188,612
Collection fee	32,000	31,762	32,004	(242)	31,177
Equipment lease	2,050	1,997	1,997	-	1,966
Prisoner expense	75,000	33,256	42,316	(9,060)	57,160
Miscellaneous	61,800	44,889	41,748	3,141	30,308
Total police	<u>2,289,156</u>	<u>2,379,014</u>	<u>2,516,390</u>	<u>(137,376)</u>	<u>2,292,689</u>
Fire -					
Salaries and wages	530,615	580,665	630,995	(50,330)	564,479
Payroll taxes	47,190	45,824	45,960	(136)	40,379
Retirement contribution	158,827	136,674	135,572	1,102	115,844
Hospitalization	63,960	53,320	61,809	(8,489)	67,884
Insurance	84,142	85,416	74,647	10,769	57,043
Telephone and utilities	46,000	44,664	42,911	1,753	43,376
Maintenance and supplies	50,000	95,172	68,771	26,401	30,726
Miscellaneous	83,000	141,659	138,524	3,135	6,731
Total fire	<u>1,063,734</u>	<u>1,183,394</u>	<u>1,199,189</u>	<u>(15,795)</u>	<u>926,462</u>

(continued)

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

Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2022
With Comparative Actual Amounts for the Year Ended June 30, 2021

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Expenditures (continued):					
City Court -					
Salaries and wages	75,504	75,501	75,500	1	75,708
Payroll taxes	5,798	7,186	6,183	1,003	6,159
Retirement contribution	-	-	-	-	45
Insurance	317	323	284	39	174
Miscellaneous	12,100	12,300	12,300	-	12,150
Utilities	8,150	8,797	8,589	208	7,916
Maintenance	1,000	7,388	7,106	282	835
Total city court	<u>102,869</u>	<u>111,495</u>	<u>109,962</u>	<u>1,533</u>	<u>102,987</u>
Debt service -					
Retirement of principal	-	17,385	64,283	(46,898)	57,113
Interest and fiscal charges	-	64,283	17,385	46,898	15,665
Total debt service	<u>-</u>	<u>81,668</u>	<u>81,668</u>	<u>-</u>	<u>72,778</u>
Capital outlay -					
Public safety:					
Police	71,600	148,586	148,584	2	37,000
Fire	70,000	50,000	50,000	-	-
Total capital outlay	<u>141,600</u>	<u>198,586</u>	<u>198,584</u>	<u>2</u>	<u>37,000</u>
Total expenditures	<u>3,604,359</u>	<u>3,958,767</u>	<u>4,110,403</u>	<u>(151,636)</u>	<u>3,437,546</u>
Deficiency of revenues over expenditures	<u>(1,650,249)</u>	<u>(1,890,073)</u>	<u>(1,792,519)</u>	<u>97,554</u>	<u>(1,146,226)</u>
Other financing sources (uses):					
Proceeds from capital lease	-	105,469	105,469	-	-
Transfers in	1,700,000	1,850,000	1,850,000	-	1,550,000
Total other financing sources (use)	<u>1,700,000</u>	<u>1,955,469</u>	<u>1,955,469</u>	<u>-</u>	<u>1,550,000</u>
Net change in fund balance	49,751	65,396	162,950	97,554	403,774
Fund balance, beginning	<u>408,671</u>	<u>408,671</u>	<u>408,671</u>	<u>-</u>	<u>4,897</u>
Fund balance, ending	<u>\$ 458,422</u>	<u>\$ 474,067</u>	<u>\$ 571,621</u>	<u>\$ 97,554</u>	<u>\$ 408,671</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.

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, 2022

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and interest-bearing deposits	\$ -	\$ 7,600	\$ -	\$ 7,600
Receivables -				
Due from other funds	76,877	-	292,668	369,545
Due from other governmental agencies	-	-	7,701	7,701
Restricted cash and interest-bearing deposits	-	-	443,852	443,852
Total assets	\$ 76,877	\$ 7,600	\$ 744,221	\$ 828,698
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts and retainage payable	\$ -	\$ -	\$ 12,255	\$ 12,255
Due to other funds	-	7,524	-	7,524
Total liabilities	-	7,524	12,255	19,779
Fund balances:				
Restricted for debt service	-	76	-	76
Restricted for capital projects	-	-	731,966	731,966
Unassigned	76,877	-	-	76,877
Total fund balances	76,877	76	731,966	808,919
Total liabilities and fund balances	\$ 76,877	\$ 7,600	\$ 744,221	\$ 828,698

CITY OF LEESVILLE, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2022

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Taxes	\$ -	\$ 245,771	\$ -	\$ 245,771
Intergovernmental	-	-	108,213	108,213
Miscellaneous	<u>3,485</u>	<u>16</u>	<u>922</u>	<u>4,423</u>
Total revenues	<u>3,485</u>	<u>245,787</u>	<u>109,135</u>	<u>358,407</u>
Expenditures:				
Current -				
Public works	8,470	-	-	8,470
Debt service	-	245,771	-	245,771
Capital outlay	<u>-</u>	<u>-</u>	<u>135,170</u>	<u>135,170</u>
Total expenditures	<u>8,470</u>	<u>245,771</u>	<u>135,170</u>	<u>389,411</u>
Excess (deficiency) of revenues over expenditures	<u>(4,985)</u>	<u>16</u>	<u>(26,035)</u>	<u>(31,004)</u>
Other financing sources (uses):				
Transfers in	5,000	-	-	5,000
Transfers out	<u>-</u>	<u>(184,246)</u>	<u>-</u>	<u>(184,246)</u>
Total financing sources (uses)	<u>5,000</u>	<u>(184,246)</u>	<u>-</u>	<u>(179,246)</u>
Net change in fund balance	15	(184,230)	(26,035)	(210,250)
Fund balances, beginning	<u>76,862</u>	<u>184,306</u>	<u>758,001</u>	<u>1,019,169</u>
Fund balances, ending	<u>\$ 76,877</u>	<u>\$ 76</u>	<u>\$ 731,966</u>	<u>\$ 808,919</u>

NONMAJOR DEBT SERVICE FUNDS

CITY OF LEESVILLE, LOUISIANA
Nonmajor Debt Service Funds

Combining Balance Sheet
June 30, 2022

	<u>Sales Tax Sinking</u>	2016 <u>Certificates of Indebtedness</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$ -	\$ 7,600	\$ 7,600
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	\$ -	\$ 7,524	7,524
Fund balances:			
Restricted for debt service	<u>-</u>	<u>76</u>	<u>76</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 7,600</u>	<u>\$ 7,600</u>

CITY OF LEESVILLE, LOUISIANA
Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2022

	Sales Tax Sinking	2016 Certificates of Indebtedness	Total
Revenues:			
Taxes	\$ -	\$ 245,771	\$ 245,771
Miscellaneous	-	16	16
Total revenues	-	245,787	245,787
Expenditures:			
Debt service	-	245,771	245,771
Total expenditures	-	245,771	245,771
Excess of revenues over expenditures	-	16	16
Other financing sources (uses):			
Transfers out	(184,246)	-	(184,246)
Net change in fund balance	(184,246)	16	(184,230)
Fund balances, beginning	184,246	60	184,306
Fund balances, ending	<u>\$ -</u>	<u>\$ 76</u>	<u>\$ 76</u>

NONMAJOR CAPITAL PROJECTS FUNDS

CITY OF LEESVILLE, LOUISIANA
Nonmajor Capital Projects Funds

Combining Balance Sheet
June 30, 2022

	Airport Construction	Improvements	Total
ASSETS			
Due from other funds	\$ 19,116	\$ 273,552	\$ 292,668
Due from other governmental agencies	7,701	-	7,701
Restricted cash and interest-bearing deposits	-	443,852	443,852
Total assets	\$ 26,817	\$ 717,404	\$ 744,221
LIABILITIES AND FUND BALANCES			
Liabilities:			
Contracts and retainage payable	\$ 12,255	\$ -	\$ 12,255
Fund balances:			
Restricted for capital projects	14,562	717,404	731,966
Total liabilities and fund balances	\$ 26,817	\$ 717,404	\$ 744,221

CITY OF LEESVILLE, LOUISIANA
Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2022

	<u>Airport Construction</u>	<u>Improvements</u>	<u>Total</u>
Revenues:			
Intergovernmental	\$ 108,213	\$ -	\$ 108,213
Miscellaneous	<u>-</u>	<u>922</u>	<u>922</u>
Total revenues	108,213	922	109,135
Expenditures:			
Capital outlay	<u>116,636</u>	<u>18,534</u>	<u>135,170</u>
Net change in fund balance	(8,423)	(17,612)	(26,035)
Fund balances, beginning	<u>22,985</u>	<u>735,016</u>	<u>758,001</u>
Fund balances, ending	<u>\$ 14,562</u>	<u>\$ 717,404</u>	<u>\$ 731,966</u>

CITY OF LEESVILLE, LOUISIANA

Comparative Statement of Position - Proprietary Funds
June 30, 2022

	Business -Type Activities - Enterprise Funds							
	Sewer		Water		Fort Polk Vegetation Control		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
ASSETS								
Current assets:								
Cash and interest-bearing deposits	\$ 228,512	\$ 214,957	\$ -	\$ -	\$ -	\$ -	\$ 228,512	\$ 214,957
Receivables:								
Accounts, net	166,562	166,396	253,553	242,807	-	-	420,115	409,203
Due from other funds	2,764,180	1,335,306	1,443,552	1,672,032	1,111,636	865,317	5,319,368	3,872,655
Due from other governmental agencies	12,027	-	16,923	55,463	527,715	259,958	556,665	315,421
Prepaid items	3,020	7,424	3,020	4,569	593	2,564	6,633	14,557
Total current assets	<u>3,174,301</u>	<u>1,724,083</u>	<u>1,717,048</u>	<u>1,974,871</u>	<u>1,639,944</u>	<u>1,127,839</u>	<u>6,531,293</u>	<u>4,826,793</u>
Noncurrent assets:								
Restricted assets -								
Cash and interest-bearing deposits	-	-	1,899,781	1,649,969	-	-	1,899,781	1,649,969
Land and construction in progress	119,876	629,197	771,722	327,890	-	-	891,598	957,087
Capital assets, net of accumulated depreciation	8,672,149	8,501,359	7,307,238	7,524,401	636,053	633,752	16,615,440	16,659,512
Total noncurrent assets	<u>8,792,025</u>	<u>9,130,556</u>	<u>9,978,741</u>	<u>9,502,260</u>	<u>636,053</u>	<u>633,752</u>	<u>19,406,819</u>	<u>19,266,568</u>
Total assets	<u>11,966,326</u>	<u>10,854,639</u>	<u>11,695,789</u>	<u>11,477,131</u>	<u>2,275,997</u>	<u>1,761,591</u>	<u>25,938,112</u>	<u>24,093,361</u>
DEFERRED OUTFLOWS OF RESOURCES								
Pension plans	51,395	74,645	32,138	50,637	25,383	27,455	108,916	152,737
OPEB obligation	3,240	501	1,080	251	1,080	125	5,400	877
Total deferred inflows of resources	<u>54,635</u>	<u>75,146</u>	<u>33,218</u>	<u>50,888</u>	<u>26,463</u>	<u>27,580</u>	<u>114,316</u>	<u>153,614</u>
LIABILITIES								
Current liabilities (payable from current assets):								
Accounts and other payables	9,091	30,476	10,293	12,977	46,850	42,187	66,234	85,640
Due to other funds	25,346	-	111,904	-	-	-	137,250	-
Capital lease	-	-	-	-	176,237	221,347	176,237	221,347
Total	<u>34,437</u>	<u>30,476</u>	<u>122,197</u>	<u>12,977</u>	<u>223,087</u>	<u>263,534</u>	<u>379,721</u>	<u>306,987</u>
Current liabilities (payable from restricted assets):								
Customer deposits payable	-	-	245,622	246,532	-	-	245,622	246,532
Revenue bonds	-	-	322,000	301,000	-	-	322,000	301,000
Accrued interest payable	-	-	2,765	5,296	-	-	2,765	5,296
Total	<u>-</u>	<u>-</u>	<u>570,387</u>	<u>552,828</u>	<u>-</u>	<u>-</u>	<u>570,387</u>	<u>552,828</u>
Total current liabilities	<u>34,437</u>	<u>30,476</u>	<u>692,584</u>	<u>565,805</u>	<u>223,087</u>	<u>263,534</u>	<u>950,108</u>	<u>859,815</u>
Noncurrent liabilities:								
Compensated absences payable	34,794	36,440	16,629	15,098	2,593	5,285	54,016	56,823
OPEB obligation payable	105,822	151,304	35,274	75,652	35,274	37,826	176,370	264,782
Net pension liability	190,301	335,709	117,420	278,862	97,175	27,857	404,896	642,428
Revenue bonds payable	-	-	2,756,000	3,085,000	-	-	2,756,000	3,085,000
Capital lease	-	-	-	-	19,582	195,820	19,582	195,820
Note payable	-	-	35,449	35,449	-	-	35,449	35,449
Total noncurrent liabilities	<u>330,917</u>	<u>523,453</u>	<u>2,960,772</u>	<u>3,490,061</u>	<u>154,624</u>	<u>266,788</u>	<u>3,446,313</u>	<u>4,280,302</u>
Total liabilities	<u>365,354</u>	<u>553,929</u>	<u>3,653,356</u>	<u>4,055,866</u>	<u>377,711</u>	<u>530,322</u>	<u>4,396,421</u>	<u>5,140,117</u>
DEFERRED INFLOWS OF RESOURCES								
Pension plans	73,970	15,025	45,542	10,034	38,444	5,953	157,956	31,012
OPEB obligation	12,104	7,066	4,035	3,533	4,035	1,767	20,174	12,366
Total deferred inflows of resources	<u>86,074</u>	<u>22,091</u>	<u>49,577</u>	<u>13,567</u>	<u>42,479</u>	<u>7,720</u>	<u>178,130</u>	<u>43,378</u>
NET POSITION								
Net investment in capital assets	8,792,025	9,130,556	6,616,905	5,264,983	440,234	216,585	15,849,164	14,612,124
Unrestricted	<u>2,777,508</u>	<u>1,223,209</u>	<u>1,409,169</u>	<u>2,193,603</u>	<u>1,442,036</u>	<u>1,034,544</u>	<u>5,628,713</u>	<u>4,451,356</u>
Total net position	<u>\$ 11,569,533</u>	<u>\$ 10,353,765</u>	<u>\$ 8,026,074</u>	<u>\$ 7,458,586</u>	<u>\$ 1,882,270</u>	<u>\$ 1,251,129</u>	<u>\$ 21,477,877</u>	<u>\$ 19,063,480</u>

CITY OF LEESVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2022

	Business -Type Activities - Enterprise Funds							
	Sewer		Water		Fort Polk Vegetation Control		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Operating revenues:								
Charges for services	\$ 1,144,488	\$ 1,116,852	\$ 1,821,499	\$ 1,765,575	\$ 3,135,095	\$ 3,249,340	\$ 6,101,082	\$ 6,131,767
Miscellaneous	-	-	-	-	873	435	873	435
Total operating revenues	<u>1,144,488</u>	<u>1,116,852</u>	<u>1,821,499</u>	<u>1,765,575</u>	<u>3,135,968</u>	<u>3,249,775</u>	<u>6,101,955</u>	<u>6,132,202</u>
Operating expenses:								
Salaries	326,712	300,293	196,171	187,601	182,980	148,473	705,863	636,367
Employee benefits	29,771	30,464	15,523	16,904	19,844	17,439	65,138	64,807
OPEB expense (benefit)	(43,183)	(1,535)	(40,705)	(1,301)	(1,239)	(383)	(85,127)	(3,219)
Pension expense	21,305	46,002	13,918	30,375	8,365	20,678	43,588	97,055
Operating supplies	82,877	30,531	225,358	176,481	322,768	259,771	631,003	466,783
Vehicle expense	21,185	14,110	54,572	25,209	125,387	64,314	201,144	103,633
Utilities and communications	138,265	120,530	202,816	144,631	923	839	342,004	266,000
Insurance	76,770	58,426	95,295	93,732	30,519	27,242	202,584	179,400
Legal and other professional	11,845	10,130	12,915	22,210	12,124	13,305	36,884	45,645
Repairs and maintenance	101,756	122,021	89,257	121,235	83,323	16,247	274,336	259,503
Contracted services	-	-	-	-	1,158,228	965,727	1,158,228	965,727
Bad debt	25,582	9,351	17,356	31,310	-	-	42,938	40,661
Miscellaneous	54,179	50,442	2,074	208	-	-	56,253	50,650
Depreciation	376,618	363,210	386,335	377,433	130,629	162,558	893,582	903,201
Total operating expenses	<u>1,223,682</u>	<u>1,153,975</u>	<u>1,270,885</u>	<u>1,226,028</u>	<u>2,073,851</u>	<u>1,696,210</u>	<u>4,568,418</u>	<u>4,076,213</u>
Operating income (loss)	<u>(79,194)</u>	<u>(37,123)</u>	<u>550,614</u>	<u>539,547</u>	<u>1,062,117</u>	<u>1,553,565</u>	<u>1,533,537</u>	<u>2,055,989</u>
Nonoperating revenues (expenses):								
Interest income	14,753	-	801	675	-	-	15,554	675
Ad valorem taxes	184,375	157,061	-	-	-	-	184,375	157,061
Gain (loss) on disposal of assets	-	-	-	7,332	-	(88,847)	-	(81,515)
Nonemployer pension contribution	7,901	8,079	4,935	5,235	3,906	3,817	16,742	17,131
Interest expense	-	(12)	(107,880)	(113,816)	(13,619)	(22,822)	(121,499)	(136,650)
Total nonoperating revenues (expenses)	<u>207,029</u>	<u>165,128</u>	<u>(102,144)</u>	<u>(100,574)</u>	<u>(9,713)</u>	<u>(107,852)</u>	<u>95,172</u>	<u>(43,298)</u>
Income before contributions and transfers	127,835	128,005	448,470	438,973	1,052,404	1,445,713	1,628,709	2,012,691
Capital Contributions	1,055,491	421,807	30,197	57,038	-	-	1,085,688	478,845
Transfers in (out)	<u>32,442</u>	<u>-</u>	<u>88,821</u>	<u>-</u>	<u>(421,263)</u>	<u>(600,000)</u>	<u>(300,000)</u>	<u>(600,000)</u>
Change in net position	1,215,768	549,812	567,488	496,011	631,141	845,713	2,414,397	1,891,536
Net position, beginning	<u>10,353,765</u>	<u>9,803,953</u>	<u>7,458,586</u>	<u>6,962,575</u>	<u>1,251,129</u>	<u>405,416</u>	<u>19,063,480</u>	<u>17,171,944</u>
Net position, ending	<u>\$ 11,569,533</u>	<u>\$10,353,765</u>	<u>\$8,026,074</u>	<u>\$7,458,586</u>	<u>\$1,882,270</u>	<u>\$ 1,251,129</u>	<u>\$21,477,877</u>	<u>\$19,063,480</u>

CITY OF LEESVILLE, LOUISIANA

Justice System Funding Schedule - Receiving Entity
 As Required by Act 87 of the 2020 Regular Legislative Session
 Cash Basis Presentation
 For the Year Ended June 30, 2022

	First Six Month Period Ended <u>12/31/2021</u>	First Six Month Period Ended <u>6/30/2022</u>
Receipts From:		
Leesville City Court, Criminal Fines	\$ 36,807	\$ 44,259
Leesville City Court, Court Assessed Costs/Fees	6,909	7,635
Leesville Marshals Office, Criminal Fines	4,435	2,085
Leesville Marshals Office, Court Assessed Costs/Fees	760	320
City of Leesville Prosecutors Office, Pre-Trial Intervention Fees	4,000	3,000
Leesville City Court, Other, Witness Fees	16,975	17,205
Leesville Marshals Office, Other, Witness Fees	1,275	700
Vernon Parish Police Jury, Other, Witness Fees	<u>550</u>	<u>750</u>
 Total	 <u>71,711</u>	 <u>75,954</u>
 Ending balance of amounts assessed but not received	 <u>\$ -</u>	 <u>\$ -</u>

**INTERNAL CONTROL, COMPLIANCE
AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Leesville, Louisiana (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 16, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 16, 2022

KOLDER, SLAVEN & COMPANY, LLC

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Leesville, Louisiana's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 16, 2022

CITY OF LEESVILLE, LOUISIANA

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program Name	Assistance Listing Number	Expenditures
<u>U.S. Environmental Protection Agency</u>		
Passed-through State of Louisiana Department of Health and Hospitals: Drinking Water State Revolving Fund Cluster - Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$ <u>40,410</u>
<u>U.S. Department of Homeland Security</u>		
Passed-through State of Louisiana Department of Homeland Security and Emergency Preparedness Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	<u>87,846</u>
<u>U.S. Department of Transportation</u>		
Airport Improvement Program	20.106	11,775
Airport Improvement Program - COVID-19	20.106	<u>7,475</u>
Total U.S. Department of Transportation		<u>19,250</u>
<u>U.S. Department of Treasury</u>		
Passed-through State of Louisiana Division of Administration Coronavirus State and Local Fiscal Recovery Funds - COVID-19 *	21.027	<u>1,036,903</u>
TOTAL FEDERAL EXPENDITURES		<u>\$1,184,409</u>

* Indicates major program

The accompanying notes are an integral part of this schedule.

CITY OF LEESVILLE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

(1) Basis of Accounting

The accompanying schedule of expenditures of federal awards (the schedule) presents the activity of all federal financial assistance programs of the City of Leesville, Louisiana (the City). The City's reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) Summary of Significant Accounting Policies

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

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

(3) Relationship to Fund Financial Statements

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

From federal sources:

Government Fund Types -

General Fund	\$ 22,417
Special Revenue Funds	24,120
Capital Projects Funds	11,775

Proprietary Fund Type -

Sewer Fund	1,055,490
Water Fund	<u>70,607</u>

Total	<u>\$ 1,184,409</u>
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(4) Subrecipients

The City provided no federal awards to subrecipients.

CITY OF LEESVILLE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2022

(5) Loan Balance

Loan balance outstanding at June 30, 2022 under the Capitalization Grants for Drinking Water State Revolving Funds (66.468) was \$2,938,000.

CITY OF LEESVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2022

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

A. Internal Control over Financial Reporting –

No findings reported under this section.

B. Compliance –

No findings reported under this section.

C. Management Letter –

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

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

No findings reported under this section.

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, 2022, and submit the following recommendation for your consideration:

The Sewer Enterprise Fund experienced an operating loss of \$79,194 during the current year. The City should continue to evaluate operations to determine methods to increase revenues and/or reduce expenses in order to operate at a surplus.

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 16, 2022

CITY OF LEESVILLE, LOUISIANA

Agreed-Upon Procedures Report

Year Ended June 30, 2022

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The City of Leesville, Louisiana's management is responsible for those C/C areas identified in the SAUPs.

The City of Leesville, Louisiana (the City) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

Board or Finance Committee

- 2. We obtained and inspected 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) Observed 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) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) Obtained 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 unrestricted fund balance in the General Fund.

Bank Reconciliations

3. We obtained a listing of the City's bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the City's main operating account. We selected the City's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included 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 electronic fund transfers)

4. We obtained 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. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed 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. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was enforced during the fiscal period.

7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected 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.* We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed 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 and the cash is stored securely in a locked safe or drawer).
 - e) Traced 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. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained 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 we observed 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, we obtained the City's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
 - a) We observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) We observed that the disbursement documentation includes 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. We obtained 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. We obtained management's representation that the listing is complete.

12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we obtained supporting documentation, and:
 - a) We observed 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.
 - b) We observed 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, we randomly selected 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, we observed 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, we described the nature of the transaction and noted 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)

14. We obtained 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. We randomly selected 5 reimbursements, we obtained 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, we observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. We obtained 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.* We obtained management’s representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
 - a) We observed 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) We observed 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), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

- 16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
 - a) We observed 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) We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) We observed that any leave accrued or taken during the pay period is reflected in the City's cumulative leave records.
 - d) We observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, we obtained related documentation of the hours and pay rates used in management's termination payment calculations and the City's policy on termination payments. We agreed the hours to the employee or officials' cumulate leave records, agreed the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
- 19. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
 - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) We observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Debt Service

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

Fraud Notice

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the City reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the City is domiciled.
24. Observed that the City 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.

Information Technology Disaster Recovery/Business Continuity

25. We performed the following procedures, verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."
 - a) We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), we observed evidence that backups are encrypted before being transported.
 - b) We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - c) We obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly selected 5 computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. We observed the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

28. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Exceptions:

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

Collections (excluding electronic fund transfers)

1. The employee responsible for collecting cash is also responsible for preparing/making bank deposits; however, another employee is responsible for reconciling collection documentation to the deposit.

Management's response: The City has assigned an employee other than one responsible for collecting cash and making the bank deposit to reconcile the collection documentation to the deposit as a compensating control.

2. The employee responsible for collecting cash is also responsible for posting cash collection entries to the general ledger; however, another employee is responsible for reconciling ledger posting to each other and to the deposit.

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

3. The employee responsible for reconciling cash collections to the general ledger is also responsible for collecting cash; however, another employee/official verifies the reconciliation.

Management's response: The City has assigned an employee or other City official other than the one responsible for reconciling cash collections to verify the reconciliations as a compensating control.

Ethics

4. The City does not have posted on its website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Management's response: Management will ensure that the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds is posted on its website.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 16, 2022