



***ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025***

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December 26, 2025

Independent Auditors' Report

To the Honorable Mayor and Board of Aldermen
City of Pineville, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Pineville, as of and for the year ended June 30, 2025, 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, and each major fund of the City of Pineville, as of June 30, 2025, 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 of Pineville 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 of Pineville'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.



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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 judgment 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 of Pineville’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 of Pineville’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 the information listed below to supplement the basic financial statements.

- Management’s Discussion and Analysis
- Budgetary Comparison Information
- Schedule of Changes in Net OPEB Liability
- Schedule of Net Pension Liability Data
- Schedule of Employer Contributions

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pineville’s basic financial statements. The Other Supplemental Information listed below is presented for purposes of additional analysis and are not a required part of the basic financial statements.

- Combining Balance Sheet – Non-Major Governmental Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds
- Schedule of Per Diem Paid to Board Members
- The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer
- Justice System Funding Schedule

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2025, on our consideration of the City of Pineville’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an engagement in accordance with *Government Auditing Standards* in considering the City of Pineville’s internal control over financial reporting and compliance.



ROZIER, MCKAY & WILLIS
Certified Public Accountants
Alexandria, Louisiana

City of Pineville

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

This section of the City of Pineville's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2025.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the City's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the City's assets (including infrastructure acquired after July 1, 1980) and all of the City's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including public safety, culture, recreation, public works and general administration are reported as governmental activities. The governmental activities are financed by taxes, license and permit fees, fines and forfeitures, and intergovernmental sources.
- **Business-Type Activities** – Expenses associated with providing utility and sanitation services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with these services are reported as business type activities.

Fund Financial Statements

Fund financial statements provide detailed information regarding the City's most significant activities and are not intended to provide information for the City as a whole. Funds are accounting devices that are used to account for specific sources of funds. The City has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund use a modified accrual basis of accounting that provides a short-term view of the City's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the City's utility and sanitation services. Proprietary fund financial statements typically provide a more detailed presentation of the information reported in the business-type activities portion of the government-wide financial statements.

City of Pineville

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

A comparative analysis of government-wide financial data is presented as follows:

Net Position

A condensed version of the government-wide Statement of Net Position is presented as follows:

	For the Year Ended June 30, 2025			For the Year Ended June 30, 2024
	Govern- mental Activities	Business- Type Activities	Total	
<u>Assets:</u>				
Current and Other Assets	\$ 19,638,264	\$ 27,655,004	\$ 47,293,268	\$ 37,304,032
Internal Balances	4,667,898	(4,667,898)	----	----
Capital Assets	29,456,247	41,399,620	70,855,867	65,007,316
Total Assets	53,762,409	64,386,726	118,149,135	102,311,348
Deferred Outflow of Resources	7,422,050	1,121,862	8,543,912	11,033,637
<u>Liabilities:</u>				
Current and Other Liabilities	859,108	1,249,579	2,108,687	2,071,839
Long-term Liabilities	26,106,706	26,242,690	52,349,396	46,889,966
Total Liabilities	26,965,814	27,492,269	54,458,083	48,961,805
Deferred Inflow of Resources	8,719,192	1,529,356	10,248,548	11,044,983
<u>Net Position:</u>				
Invested in Capital Assets (Net)	26,586,344	19,104,897	45,691,241	48,424,395
Restricted	14,175,798	95,853	14,271,651	16,276,845
Unrestricted	(15,262,689)	17,286,213	2,023,524	(11,363,043)
Total Net Position	\$ 25,499,453	\$ 36,486,963	\$ 61,986,416	\$ 53,338,197

As the presentation appearing above demonstrates, the City's net position is primarily invested in capital assets. Net position invested in capital assets consists of land, buildings, equipment, and infrastructure less any debt used to acquire the assets that remain outstanding. The City uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending. A portion of the City's resources are unrestricted, and available to be utilized by the City to meet its ongoing obligations to creditors and other interested parties for the foreseeable future.

Changes in Net Position

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

City of Pineville

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

	For the Year Ended June 30, 2025			For the
	Govern- mental Activities	Business- Type Activities	Total	Year Ended June 30, 2024
Revenues:				
Program Revenue:				
Charges for Services	\$ 326,220	\$ 11,807,687	\$ 12,133,907	\$ 12,291,574
Operating Grants and Contributions	1,238,674	----	1,238,674	1,303,486
Capital Grants and Contributions	406,118	4,372,706	4,778,824	3,729,014
General Revenue:				
Property Taxes	1,981,302	----	1,981,302	1,904,502
Sales Taxes	17,806,295	----	17,806,295	16,664,737
Franchise Fees	1,032,773	----	1,032,773	962,879
Occupational Licenses	1,094,866	----	1,094,866	845,930
Other	1,148,852	1,108,368	2,257,220	3,077,411
Total Revenue	25,035,100	17,288,761	42,323,861	40,779,533
Program Expenses:				
General Government	3,115,406	----	3,115,406	2,779,761
Public Safety				
Police Department	7,830,591	----	7,830,591	7,772,459
Fire Department	5,852,052	----	5,852,052	5,619,974
Public Works	4,309,200	----	4,309,200	3,802,993
Health & Welfare	425,182	----	425,182	388,906
Economic Development	244,575	----	244,575	414,941
Culture and Recreation	1,844,419	----	1,844,419	1,619,985
Utility Service	----	6,769,912	6,769,912	6,203,227
Sanitation	----	3,026,228	3,026,228	3,115,353
Other	150,656	107,721	107,721	406,368
Total Expenses	23,772,081	9,903,561	33,675,642	32,123,967
Increase in Net Position Before				
Transfers and Special Items	1,263,019	7,385,200	8,648,219	8,655,566
Transfers	(1,815,630)	1,815,630	----	----
Special Items	----	----	----	----
Change in Net Position	(552,611)	9,200,830	8,648,219	8,655,566
Net Position Beginning	26,052,064	27,286,133	53,338,197	44,682,631
Net Position Ending	\$ 25,499,453	\$ 36,486,963	\$ 61,986,416	\$ 53,338,197

Governmental activities decreased the City's net position by \$552,611. This decrease is primarily due to an decrease in transfers from business-type funds.

Business-type activities increased the City's net position by \$9,200,830, due primarily to careful management of the City's resources and the availability of resources from grants.

City of Pineville

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

An analysis of significant matters affecting the City's funds is presented as follows:

- The City's governmental funds reported a combined fund balance of \$23,447,056 which represents a decrease of \$3,221,034 in comparison to the previous balance. The decrease is attributable to using a portion of reserves to enhance services.
- The City's general fund, which is available for spending at the City's discretion, reported a fund balance of \$9,426,484. The general fund balance decreased by \$1,232,892 in the current year.
- Amounts reported for business-type activities in the City's individual funds are identical to the business-type activities reported in the government-wide presentation.

GENERAL FUND BUDGET HIGHLIGHTS

The City's general fund, ad valorem, and sales tax funds are required to adopt an annual budget and the budgets are amended as necessary. Some revisions to the original budgets were made to address revenues and related expenditures that were not anticipated when the original budget was prepared.

CAPITAL ASSET ADMINISTRATION

Highlights of the City's capital asset administration are provided as follows:

- Equipment purchases included new items necessary to replace existing equipment that has reached the end of its useful life and acquisitions that provide additional capability.
- Work on infrastructure improvements necessary to extend the life of streets, drainage, and utility systems.

DEBT ADMINISTRATION

The City's borrowing activities included issuance of a new utility revenue bond, activity related to lease obligations, and paying installments due on existing obligations.

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

At the present time, no events or conditions have been identified that are expected to have a significant influence on future operations.

City of Pineville

STATEMENT OF NET POSITION

June 30, 2025

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 17,296,480	\$ 24,608,598	\$ 41,905,078
Receivables (net)	2,302,263	1,795,114	4,097,377
Restricted asset			
Cash	-	1,251,292	1,251,292
Other assets	39,521	-	39,521
Internal balances	4,667,898	(4,667,898)	-
Leased Assets	1,375,171	827,357	2,202,528
Capital assets			
Non depreciable capital assets	4,153,537	9,046,665	13,200,202
Depreciable capital assets, net	23,927,539	31,525,598	55,453,137
Total assets	53,762,409	64,386,726	118,149,135
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension funding deferrals	4,005,439	380,429	4,385,868
OPEB funding deferrals	3,416,611	741,433	4,158,044
Total deferred outflows	7,422,050	1,121,862	8,543,912
<u>LIABILITIES</u>			
Accounts and other payables	859,108	532,716	1,391,824
Accrued interest payable from restricted assets	-	211,439	211,439
Deposits due others	-	505,424	505,424
Other Current Liabilities	-	-	-
Long-term liabilities			
Compensated Absences	840,518	70,007	910,525
Net Other Post Employment Benefits	7,319,938	1,643,268	8,963,206
Net Pension Liability	15,019,196	891,421	15,910,617
Landfill Closure and Post Closure Liability	-	372,766	372,766
Lease Obligations			
Due within one year	396,077	360,511	756,588
Due in more than one year	1,036,245	493,351	1,529,596
Long-term Debt			
Due within one year	206,424	944,000	1,150,424
Due in more than one year	1,288,308	21,467,366	22,755,674
Total liabilities	26,965,814	27,492,269	54,458,083
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension funding deferrals	1,976,075	66,045	2,042,120
OPEB funding deferrals	6,743,117	1,463,311	8,206,428
Total deferred inflows	8,719,192	1,529,356	10,248,548
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	26,586,344	19,104,897	45,691,241
Restricted:			
Debt service	-	95,853	95,853
Capital projects and equipment acquisition	13,611,380	-	13,611,380
Economic Development	416,355	-	416,355
Other purposes	148,063	-	148,063
Unrestricted	(15,262,689)	17,286,213	2,023,524
Total net position	\$ 25,499,453	\$ 36,486,963	\$ 61,986,416

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

City of Pineville

STATEMENT OF ACTIVITIES **Year Ended June 30, 2025**

	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
<u>Governmental Activities:</u>					
General Government					
Judicial	\$ 634,542	\$ 137,256	\$ 27,415	\$ -	\$ (469,871)
Executive	410,668	-	-	-	(410,668)
Finance & Administrative	2,070,196	66,531	10,500	-	(1,993,165)
Public Safety					
Police Department	7,830,591	48,105	547,947	-	(7,234,539)
Fire Department	5,852,052	6,000	430,277	-	(5,415,775)
Public Works					
Administration	430,204	-	-	-	(430,204)
City Shop	319,003	-	-	-	(319,003)
Street Maintenance	1,829,878	-	-	-	(1,829,878)
Drainage Maintenance	766,502	-	-	406,118	(360,384)
Building Maintenance	370,202	68,328	-	-	(301,874)
Beautification	593,411	-	-	-	(593,411)
Health & Welfare (Impounding)	425,182	-	-	-	(425,182)
Economic Development	244,575	-	222,535	-	(22,040)
Culture & Recreation					
Recreation Department	989,389	-	-	-	(989,389)
Community Services	125,052	-	-	-	(125,052)
Special Events	729,978	-	-	-	(729,978)
Interest on Long-Term Debt	150,656	-	-	-	(150,656)
Total Governmental Activities	<u>23,772,081</u>	<u>326,220</u>	<u>1,238,674</u>	<u>406,118</u>	<u>(21,801,069)</u>
<u>Business-Type Activities:</u>					
Utility System	6,769,612	9,332,380	-	2,196,064	4,758,832
Sanitation	3,026,228	2,471,132	-	-	(555,096)
Airport	107,721	4,175	-	2,176,642	2,073,096
Total Business-Type Activities	<u>9,903,561</u>	<u>11,807,687</u>	<u>-</u>	<u>4,372,706</u>	<u>6,276,832</u>
Total	<u>\$ 33,675,642</u>	<u>\$ 12,133,907</u>	<u>\$ 1,238,674</u>	<u>\$ 4,778,824</u>	<u>\$ (15,524,237)</u>

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

City of Pineville

STATEMENT OF ACTIVITIES (Continued) **Year Ended June 30, 2025**

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Net (Expense) Revenue (Continued From Previous Page)	\$ (21,801,069)	\$ 6,276,832	\$ (15,524,237)
<u>General Revenues:</u>			
Taxes:			
Ad Valorem	1,981,302	-	1,981,302
Sales	17,806,295	-	17,806,295
Licenses & Permits			
Franchise Fees	1,032,773	-	1,032,773
Occupational Licenses	879,326	-	879,326
Other	215,540	-	215,540
Intergovernmental			
Other	1,148,852	1,108,368	2,257,220
Transfers	<u>(1,815,630)</u>	<u>1,815,630</u>	<u>-</u>
Total General Revenues, Special Items and Transfers	<u>21,248,458</u>	<u>2,923,998</u>	<u>24,172,456</u>
Change in Net Position	(552,611)	9,200,830	8,648,219
Net Position - Beginning	<u>26,052,064</u>	<u>27,286,133</u>	<u>53,338,197</u>
Net Position Ending	<u>\$ 25,499,453</u>	<u>\$ 36,486,963</u>	<u>\$ 61,986,416</u>

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

City of Pineville

Balance Sheet Governmental Funds - June 30, 2025

	General Fund	Dedicated 1% Sales Tax	Capital Improvements	LCDBG Grants	Dedicated 10 Mill Ad Valorem Tax	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 1,464,761	\$ -	\$ 579,936	\$ 10,287,823	\$ 4,151,306	\$ 812,654	\$ 17,296,480
Receivables (net)	1,218,873	553,324	82,999	447,067	-	-	2,302,263
Interfund Receivables	7,220,259	-	12,955,009	-	-	142,185	20,317,453
Restricted Cash	-	-	-	-	-	-	-
Other Assets	39,521	-	-	-	-	-	39,521
Total assets	\$ 9,943,414	\$ 553,324	\$ 13,617,944	\$ 10,734,890	\$ 4,151,306	\$ 954,839	\$ 39,955,717
Liabilities and Fund Balance							
Liabilities							
Accounts Payable	\$ 516,930	\$ -	\$ 6,564	\$ 334,222	\$ -	\$ 1,392	\$ 859,108
Interfund Payables	-	553,324	-	10,555,894	4,151,306	389,029	15,649,553
Total liabilities	516,930	553,324	6,564	10,890,116	4,151,306	390,421	16,508,661
Fund Balance							
Restricted For:							
Capital Improvements	-	-	13,611,380	-	-	-	13,611,380
Economic Development	-	-	-	-	-	416,355	416,355
Other Special Purposes	-	-	-	-	-	148,063	148,063
Unassigned	9,426,484	-	-	(155,226)	-	-	9,271,258
Total Fund Balances	9,426,484	-	13,611,380	(155,226)	-	564,418	23,447,056
Total Liabilities and Fund Balance	\$ 9,943,414	\$ 553,324	\$ 13,617,944	\$ 10,734,890	\$ 4,151,306	\$ 954,839	\$ 39,955,717

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

City of Pineville

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position

Year Ended June 30, 2025

Total Fund Balances - Governmental Funds	\$ 23,447,056
Amounts reported for governmental activities in the statement of net position are different because:	
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(24,674,385)
Deferred inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	(8,719,193)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	28,081,076
Lease Obligations not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(1,432,322)
Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,375,171
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	<u>7,422,050</u>
Net Position of Governmental Activities	<u>\$ 25,499,453</u>

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

City of Pineville

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Funds - Year Ended June 30, 2025

	General Fund	Dedicated 1% Sales Tax	Capital Improvements	LCDBG Grants	Dedicated 10 Mill Ad Valorem Tax	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes:							
Ad Valorem	\$ 726,845	\$ -	\$ -	\$ -	\$ 1,254,457	\$ -	\$ 1,981,302
Sales	10,457,882	6,389,924	958,489	-	-	-	17,806,295
Licenses & Permits:							
Franchise Fees	1,032,773	-	-	-	-	-	1,032,773
Occupational Licenses	879,326	-	-	-	-	-	879,326
Other	15,172	-	-	-	172,912	-	188,084
Intergovernmental	1,311,210	-	10,500	406,118	-	222,535	1,950,363
Fines and Forfeitures	48,105	-	-	-	-	-	48,105
Other	1,092,892	-	8,780	-	-	47,180	1,148,852
Total Revenues	15,564,205	6,389,924	977,769	406,118	1,427,369	269,715	25,035,100
Expenditures:							
Current:							
General Government							
Judicial							
City Court	259,447	-	-	-	-	58,704	318,151
City Marshal	376,654	-	-	-	-	-	376,654
Executive	398,996	-	24,737	-	-	-	423,733
Finance & Administrative	2,049,751	-	99,519	-	-	1,423	2,150,693
Public Safety							
Police Department	7,814,164	-	199,612	-	-	-	8,013,776
Fire Department	5,917,652	-	211,724	-	-	-	6,129,376
Public Works							
Administration	434,105	-	2,389	-	21,160	-	457,654
City Shop	287,098	-	17,170	-	-	-	304,268
Street Maintenance	673,783	-	119,778	-	-	-	793,561
Drainage Maintenance	588,195	-	7,670	-	-	-	595,865
Building Maintenance	247,112	-	71,019	-	-	-	318,131
Beautification	498,159	-	37,278	-	-	-	535,437
Health & Welfare	398,953	-	11,418	-	-	-	410,371
Economic Development	-	-	-	-	-	244,575	244,575
Culture & Recreation							
Recreation Department	805,967	-	52,588	-	-	-	858,555
Community Services	7,702	-	76,954	-	-	-	84,656
Special Events & Projects	782,870	-	-	-	-	-	782,870
Youth Activities	3,536	-	-	-	-	-	3,536
Capital Expenditures	-	-	3,123,705	409,470	-	-	3,533,175
Debt Service	-	-	713,160	-	-	-	713,160
Total Expenditures	21,544,144	-	4,768,721	409,470	21,160	304,702	27,048,197
Excess (Deficiency) of Revenues Over Expenditures	(5,979,939)	6,389,924	(3,790,952)	(3,352)	1,406,209	(34,987)	(2,013,097)

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

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds - Year Ended June 30, 2025**

	General Fund	Dedicated 1% Sales Tax	Capital Improvements	LCDBG Grants	Dedicated 10 Mill Ad Valorem Tax	Other Governmental Funds	Total Governmental Funds
Excess (Deficiency) of							
Revenues Over Expenditures	(5,979,939)	6,389,924	(3,790,952)	(3,352)	1,406,209	(34,987)	(2,013,097)
Other Financing Sources (Uses):							
Proceeds From Debt and Lease Obligations	-	-	607,694	-	-	-	607,694
Operating Transfers In	4,747,047	-	3,194,962	-	-	-	7,942,009
Operating Transfers Out	-	(6,389,924)	(1,815,631)	-	(1,552,085)	-	(9,757,640)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(1,232,892)	-	(1,803,927)	(3,352)	(145,876)	(34,987)	(3,221,034)
Fund Balance (Deficit) - Beginning of Year	10,659,376	-	15,415,307	(151,874)	145,876	599,405	26,668,090
Fund Balance (Deficit) - End of Year	<u>\$ 9,426,484</u>	<u>\$ -</u>	<u>\$ 13,611,380</u>	<u>\$ (155,226)</u>	<u>\$ -</u>	<u>\$ 564,418</u>	<u>\$ 23,447,056</u>

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

City of Pineville

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended June 30, 2025

Net change in fund balances of Governmental Funds	\$ (3,221,034)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. The effect of capital expenditures and depreciation are presented as follows:	
Capital Expenditures	2,925,482
Depreciation	(2,028,681)
Governmental funds report lease obligations differently from the government wide presentation. An analysis of the differences is presented as follows:	
Repayment of lease obligations that are included in governmental fund expenditures	366,094
Amortization of lease assets reported in the government wide presentation	(392,601)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the lease obligations consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position.	
Proceeds of Long-Term Debt	-
Repayment of Long-Term Debt	196,410
Change in Interest Payable	-
Compensated Absences are recorded in the governmental funds when paid, but are recorded in the statement of activities when earned. This represents the amount compensated absences earned exceed amounts paid in the current period.	(10,133)
Changes in total OPEB Liability and deferred inflows and outflows	643,365
Changes in net pension liability and deferred inflows and outflows	<u>968,487</u>
Change in net position of governmental activities	<u>\$ (552,611)</u>

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

City of Pineville

Statement of Net Position Proprietary Funds - June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Utility System	Sanitation	Airport	Total
<u>ASSETS:</u>				
Current Assets:				
Cash and cash equivalents	\$ 14,489,591	\$ 10,119,007	\$ -	\$ 24,608,598
Receivables (net)	1,317,664	373,688	103,762	1,795,114
Other	-	-	-	-
Interfund receivables	6,500,907	-	308,697	6,809,604
Total current assets	22,308,162	10,492,695	412,459	33,213,316
Restricted Assets:				
Cash and cash equivalents	1,251,292	-	-	1,251,292
Noncurrent Assets:				
Leased Assets	419,519	407,838	-	827,357
Construction in process	6,900,570	-	2,146,095	9,046,665
Depreciable capital assets, net	29,571,193	461,053	1,493,352	31,525,598
Total assets	60,450,736	11,361,586	4,051,906	75,864,228
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>				
Pension and OPEB funding deferrals	640,539	481,323	-	1,121,862
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts and other payables	354,378	72,916	105,422	532,716
Interfund payables	-	11,041,374	436,128	11,477,502
Compensated absences	45,791	24,216	-	70,007
Deposits due others	505,424	-	-	505,424
Other	-	-	-	-
Current Portion of Lease Obligations	138,220	222,291	-	360,511
Payable From Restricted Assets:				
Accrued interest payable	211,439	-	-	211,439
Current portion of long-term debt	944,000	-	-	944,000
Total current liabilities	2,199,252	11,360,797	541,550	14,101,599
Noncurrent Liabilities:				
Lease Obligations	304,063	189,288	-	493,351
Other Post Employment Benefits	1,251,945	391,323	-	1,643,268
Net Pension Liability	647,326	244,095	-	891,421
Closure and Post Closure Cost	-	372,766	-	372,766
Long-term debt	21,467,366	-	-	21,467,366
Total liabilities	25,869,952	12,558,269	541,550	38,969,771
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Pension and OPEB funding deferrals	867,776	661,580	-	1,529,356
<u>NET POSITION:</u>				
Invested in capital assets, net of related debt	15,004,397	461,053	3,639,447	19,104,897
Restricted for debt service	95,853	-	-	95,853
Unrestricted	19,253,297	(1,837,993)	(129,091)	17,286,213
Total net position	\$ 34,353,547	\$ (1,376,940)	\$ 3,510,356	\$ 36,486,963

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

City of Pineville

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds - June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Utility			
	System	Sanitation	Airport	Total
<u>Operating Revenues:</u>				
Service Fees	\$ 8,885,458	\$ 2,398,995	\$ 4,175	\$ 11,288,628
Other	446,922	72,137	-	519,059
Total Operating Revenues	9,332,380	2,471,132	4,175	11,807,687
<u>Operating Expenses:</u>				
Salaries	1,260,332	915,172	-	2,175,504
Contract Labor	70,520	53,380	-	123,900
Legal and Professional	110,795	-	6,090	116,885
Insurance	122,135	63,991	1,887	188,013
Repairs & Maintenance	765,411	198,795	2,064	966,270
Supplies & Chemicals	551,281	87,310	-	638,591
Employee Benefits	467,221	442,959	-	910,180
Landfill Disposal Cost	-	835,028	-	835,028
Utilities	737,134	-	10,903	748,037
Permits and Testing	101,066	6,100	-	107,166
Amortization	134,644	260,979	-	395,623
Depreciation	1,477,486	97,841	86,777	1,662,104
Bad Debts	120,000	37,500	-	157,500
Other	154,087	17,904	-	171,991
Total Operating Expenses	6,072,112	3,016,959	107,721	9,196,792
Operating Income (Loss)	3,260,268	(545,827)	(103,546)	2,610,895
<u>Nonoperating Revenues (Expenses):</u>				
Interest Revenue	689,633	418,735	-	1,108,368
Interest Expense	(697,500)	(9,269)	-	(706,769)
Change in Net Position Before Contributions and Transfers	3,252,401	(136,361)	(103,546)	3,012,494
<u>Contributions and Transfers:</u>				
Capital Contributions	2,196,064	-	2,176,642	4,372,706
Operating Transfers In	1,361,624	454,006	-	1,815,630
Operating Transfers Out	-	-	-	-
Change in Net Position Before Special Items	6,810,089	317,645	2,073,096	9,200,830
Change in Net Position	6,810,089	317,645	2,073,096	9,200,830
Total Net Position - Beginning	27,543,458	(1,694,585)	1,437,260	27,286,133
Total Net Position - Ending	\$ 34,353,547	\$ (1,376,940)	\$ 3,510,356	\$ 36,486,963

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

City of Pineville

Statement of Cash Flows

Proprietary Funds - Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Utility System	Sanitation	Airport	Total
<u>Cash flow from operating activities:</u>				
Cash received from customers	\$ 10,389,759	\$ 2,451,539	\$ 4,175	\$ 12,845,473
Cash payments to suppliers of goods and services	(3,739,055)	(1,735,705)	(20,944)	(5,495,704)
Cash payments to employees for services	(1,252,877)	(913,236)	-	(2,166,113)
Net cash provided (used) by operating activities	<u>5,397,827</u>	<u>(197,402)</u>	<u>(16,769)</u>	<u>5,183,656</u>
<u>Cash flows from non-capital financing activities:</u>				
Change in interfund balances	(11,250,765)	1,481,114	(13,778)	(9,783,429)
Operating transfers in	1,361,624	454,006	-	1,815,630
Operating transfers out	-	-	-	-
Net cash provided (used) by non-capital financing activities	<u>(9,889,141)</u>	<u>1,935,120</u>	<u>(13,778)</u>	<u>(7,967,799)</u>
<u>Cash flows from capital and related financing activities:</u>				
Capital expenditures	(4,008,207)	(156,414)	(2,042,333)	(6,206,954)
Proceeds from capital grants	2,196,064	-	2,072,880	4,268,944
Proceeds from Issuance of Revenue Bonds	9,501,938	-	-	9,501,938
Principle Paid on Lease Obligations	(125,840)	(264,491)	-	(390,331)
Principle paid on revenue bonds	(713,961)	-	-	(713,961)
Interest paid on debt instruments	(558,477)	(9,269)	-	(567,746)
Net cash provided (used) by capital and related financing activities	<u>6,291,517</u>	<u>(430,174)</u>	<u>30,547</u>	<u>5,891,890</u>
<u>Cash flows from investing activities:</u>				
Interest and other income	<u>689,633</u>	<u>418,735</u>	<u>-</u>	<u>1,108,368</u>
Net cash provided (used) by investing activities	<u>689,633</u>	<u>418,735</u>	<u>-</u>	<u>1,108,368</u>
Net increase (decrease) in cash	2,489,836	1,726,279	-	4,216,115
Beginning cash balance	<u>13,251,047</u>	<u>8,392,728</u>	<u>-</u>	<u>21,643,775</u>
Ending cash balance	15,740,883	10,119,007	-	25,859,890
Restricted cash and cash equivalents	<u>1,251,292</u>	<u>-</u>	<u>-</u>	<u>1,251,292</u>
Cash and cash equivalents	<u>\$ 14,489,591</u>	<u>\$ 10,119,007</u>	<u>\$ -</u>	<u>\$ 24,608,598</u>

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

City of Pineville

Statement of Cash Flows (Continued)

Proprietary Funds - Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			
	Utility			
	System	Sanitation	Airport	Total
<u>Reconciliation of operating income (loss)</u>				
<u>to net cash provided (used) by operating</u>				
<u>activities</u>				
Operating income (loss)	\$ 3,260,268	\$ (545,827)	\$ (103,546)	\$ 2,610,895
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,477,486	97,841	86,777	1,662,104
Amortization	134,644	260,979	-	395,623
(Increase) decrease in accounts receivable	1,022,274	(19,593)	-	1,002,681
(Increase) decrease in other assets	-	-	-	-
(Decrease) increase in accounts and other payables	(355,152)	4,463	-	(350,689)
(Decrease) increase in compensated absences	7,455	1,936	-	9,391
(Decrease) increase in landfill closure and post closure cost	-	90,686	-	90,686
(Decrease) increase in Other Post Employment Benefits	(113,930)	(25,533)	-	(139,463)
Change in net pension liabilities and deferrals	(70,323)	(62,354)	-	(132,677)
(Decrease) increase in meter deposits	35,105	-	-	35,105
Net cash provided (used) by operating activities	<u>\$ 5,397,827</u>	<u>\$ (197,402)</u>	<u>\$ (16,769)</u>	<u>\$ 5,183,656</u>

Supplemental disclosures of cash flow information:

During the year ended June 30, 2025 there were no operating, financing, or investing activities that did not result in cash receipts or payments.

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

City of Pineville

Notes to Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Pineville (the City) was incorporated under the provisions of the Lawrason Act. The City is governed by a Mayor and a Board of Alderman consisting of five (5) members. Services provided by the City include police protection, fire protection, street maintenance, drainage, recreation and sanitation. The City also operates a water distribution system, a sewer system and a municipal airport.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

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

Governmental Accounting Standards establish criteria for determining which component units should be considered part of the City of Pineville for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a) The ability of the City to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the criteria presented above, the City has no component units. In reaching this conclusion, the operations of the City Court System and the Pineville Downtown Development District were considered; however, it was determined that neither met the necessary criteria for classification as a component unit.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the City's financial position and results of operations from differing perspectives which are described as follows:

City of Pineville

Notes to Financial Statements

June 30, 2025

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and business-type (enterprise) funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The City's major funds are described as follows:

Major Governmental Funds

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

Dedicated 1% Sales Tax – The sales tax fund is a special revenue fund used to account for the proceeds of a restricted 1% sales tax that is described in Note 6.

Capital Improvements – The capital improvement fund is a capital project fund that is used to account for a portion of sales tax proceeds that are restricted for capital expenditures and related debt service.

LCDBG Fund – The LCDBG Fund is a capital project fund that is used to account for activity related to Louisiana Community Development Block Grant funding.

Dedicated 10 Mill Ad Valorem Tax – This fund is a special revenue fund used to account for the proceeds of a restricted Millage that is described in Note 6.

Major Business-Type Funds

Utility System – The utility fund is used to account for the operation of the City's water and sewer system, which are supported by user charges.

Sanitation – The sanitation fund is used to account for activity associated with collecting and disposing of garbage and trash. The operation of this fund is supported by user charges.

Airport – The Airport fund is used to account for activity associated with the operation of the City's municipal airport.

Business-Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for water, sewer service and sanitation.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

City of Pineville

Notes to Financial Statements

June 30, 2025

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measure focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measure focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure of funds. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other financing source and repayment of long-term debt is reported as an expenditure of funds.

Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Assets:

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

Budget Practices:

Budgets including any amendments are prepared in the manner prescribed by Louisiana revised statutes. City budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. Budgets are adopted annually for the general fund and each special revenue fund. The remaining funds are not required to adopt budgets.

Capital Assets

Capital assets, which include property, equipment and infrastructure, are reported as assets in the applicable governmental or business-type columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Assets reported in the fund financial statements for governmental funds exclude capital assets. Instead, the governmental funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the City. As required by Governmental Accounting Standards, the City has retroactively capitalized infrastructure acquired by governmental funds since 1980. Infrastructure capitalized retroactively includes streets, sidewalks, bridges, and drainage improvements.

Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 4 to 50 years. Useful lives are selected depending on the expected durability of the particular asset.

Cash and Cash Equivalents:

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal

City of Pineville

Notes to Financial Statements

June 30, 2025

agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Internal Activity:

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

Compensated Absences

Full time and regular part-time employees earn vacation at rates that vary depending on length of service and civil service classification. Unused vacation that employees are allowed to carry forward is reported as a liability. The portion of the liability for compensated absences attributable to governmental funds and activities is typically liquidated by the general fund.

Fund Balance Classification:

Approval of the majority of the Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the City typically depletes the available restricted or committed resources before consuming unrestricted resources.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable for the year ended June 30, 2025 are summarized as follows:

	Governmental Activities	Business-Type Activities	Total
<u>Accounts Receivable</u>			
Charges for Services	\$ ----	\$ 3,935,451	\$ 3,935,451
Franchise Taxes	99,700	----	99,700
Other	----	----	----
Total Accounts Receivable	99,700	3,935,451	4,035,151
<u>Due From Other Governmental Units</u>			
Sales Tax	1,539,839	----	1,539,839
Occupational Licenses	131,535	----	131,535
Other	84,123	----	84,123
Grant Reimbursements	447,067	147,163	594,230
Total Due From Other Governments	2,202,563	147,163	2,349,726
Total Receivables	2,302,263	4,082,614	6,384,877
Allowance for Doubtful Accounts	----	(2,287,500)	(2,287,500)
Receivables (Net)	\$ 2,302,263	\$ 1,795,114	\$ 4,097,377

City of Pineville

Notes to Financial Statements

June 30, 2025

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 2025, cash and cash equivalents included the following amounts:

	Governmental Activities	Business-Type Activities	Total
Cash Deposited in Banks	\$ 17,295,870	\$ 25,464,181	\$ 42,760,051
Money Market Mutual Funds and Equivalents	----	394,209	394,209
Petty Cash	610	1,500	2,110
Total Cash	17,296,480	25,859,890	43,155,760
Restricted Cash	----	1,251,292	1,251,292
Cash and Cash Equivalents	\$ 17,296,480	\$ 24,608,598	\$ 41,904,468

Cash deposited in banks is stated at cost, which approximates market. At June 30, 2025, the City had \$42,760,051 in deposits (\$42,913,270 collected bank balance). These deposits are secured from risk by \$250,000 of federal deposit insurance, \$39,328,813 of pledged securities held by the custodial bank in the name of the fiscal agent bank, and a Federal Home Loan Bank irrevocable letter of credit of \$5,900,000. The cash and equivalents are considered uninsured and unregistered securities held in the City's name. These cash equivalents are not rates but are not subject to any significant credit or interest rate risk.

NOTE 4 - LEASING

The City has entered into various leasing arrangements to acquire vehicles necessary to conduct operations, as well as equipment necessary to provide sanitation services to its citizens. Under the terms of the agreements, the City is obligated to make fixed payments over periods ranging from three to five years. The value of the leased vehicles has been determined as follows:

	Governmental Activities	Business-Type Activities
Leased Vehicles and Equipment	\$ 2,013,217	\$ 1,258,741
Accumulated Amortization	(638,048)	(431,384)
Leased Assets	\$ 1,375,171	\$ 827,357

The lease obligations at year end are summarized below:

	Governmental Activities	Business-Type Activities
Beginning Balance	\$ 565,788	\$ 754,973
Additions	849,567	490,315
Reductions	224,633	391,426
Ending Balance	1,432,322	853,862
Due Within One Year	396,077	360,511
Due in More Than One Year	\$ 1,036,245	\$ 493,351

Principal and interest requirements associated with the underlying lease obligation are presented as follows:

City of Pineville

Notes to Financial Statements

June 30, 2025

<u>Year Ended June 30th</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal Installments</u>	<u>Interest</u>	<u>Principal Installments</u>	<u>Interest</u>
2025	392,077	72,510	360,510	37,036
2026	415,349	49,237	320,691	19,174
2027	411,717	24,708	143,387	5,351
2028	174,220	7,249	24,551	859
2029	38,959	699	4,723	80
Total Payments	\$ 1,432,322	\$ 154,403	\$ 853,862	\$ 62,500

NOTE 5 - LONG-TERM DEBT

Debt attributable to the acquisition of the City's utility system and the operation of the utility system is reported as an obligation of the City's business-type enterprise funds. Remaining debts are reported as governmental activities. The City's debts are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Installment Purchase Agreement	\$ 1,494,732	\$ ----	\$ 1,494,732
Revenue Bonds	----	21,310,009	21,310,009
Total Debt Issuances	1,494,732	21,310,009	22,804,741
Bond Premium	----	1,559,429	1,559,429
Deferred Issue Cost	----	(458,072)	(458,072)
Total Long-term Debt	1,494,732	22,411,366	23,906,098
Due Within One Year	206,424	944,000	1,150,424
Due in More Than One Year	\$ 1,288,308	\$ 21,467,366	\$ 22,755,674

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Installment Purchase Agreements	\$ 1,691,142	\$ ----	\$ 196,410	\$ 1,494,732
Total Governmental Activities	1,691,142	----	196,410	1,494,732
<u>Business-Type Activities</u>				
Revenue Bonds	12,759,009	9,190,000	639,000	21,310,009
Total Business-Type Activities	12,759,009	9,190,000	639,000	21,310,009
Total Long-term Debts	\$ 14,450,151	\$ 9,190,000	\$ 835,410	\$ 22,804,741

Installment Purchase Agreements

The City has executed installment purchase agreements to finance the acquisition of firefighting equipment. Terms of the agreements are described as follows:

City of Pineville

Notes to Financial Statements

June 30, 2025

\$834,613 Installment Purchase Agreement payable in 10 yearly installments of \$9,522 including interest based on a rate of 6.4%, with the final installment due in February 15, 2034.	\$ 759,491
\$612,744 Installment Purchase Agreement payable in 10 yearly installments of \$6,726 including interest based on a rate of 5.75%, with the final installment due in February 15, 2034.	549,876
\$785,246 Installment Purchase Agreement payable in 10 yearly installments of \$7,771 including interest based on a rate of 3.25%, with the final installment due in August 16, 2027.	185,365
Total Installment Agreements	\$ 1,494,732

Revenue Bonds

The City has issued revenue bonds that are secured by and payable solely from a pledge of funds generated by a specific revenue source. Revenue bonds outstanding at June 30, 2025 are described as follows:

\$2,610,000 Utility Revenue Bonds Series 2019, bearing interest at 2.10%. The bonds mature serially on May 1 st of each year in amounts ranging from \$318,000 to \$424,000. Final maturity is scheduled for May 1, 2026, unless the City elects to redeem the bonds prior to maturity.	\$ 424,000
\$4,500,000 Utility Revenue Bonds Series 2010, bearing interest at a rate of 0.95%. The face value of the bonds is available to reimburse construction certain construction costs and as of June 30, 2021 \$4,082,574 has been collected. The bonds mature serially on May 1 st of each year, and if the entire \$4,500,000 is utilized, the amounts will range from \$155,000 to \$250,000. Final maturity is scheduled for May 1, 2032, unless the City elects to redeem the bonds prior to maturity.	1,696,009
\$10,000,000 Utility Revenue Bonds Series 2022, bearing interest at 4.00%. The bonds mature serially on May 1 st beginning in 2027 in amounts ranging from \$240,000 to \$615,000. Final maturity is scheduled for May 1, 2051, unless the City elects to redeem the bonds prior to maturity.	10,000,000
\$9,190,000 Utility Revenue Bonds Series 2024, bearing interest at 4.00 - 5.00%. The bonds mature serially on March 1 st beginning in 2026 in amounts ranging from \$295,000 to \$675,000. Final maturity is scheduled for March 1, 2045, unless the City elects to redeem the bonds prior to maturity.	9,190,000
Total Revenue Bonds	\$ 21,310,009

Maturity of Long-term Debt

A schedule of maturities of long-term debt excluding compensated absences and leases is presented as follows:

City of Pineville

Notes to Financial Statements

June 30, 2025

Year Ended June 30th	Governmental Activities		Business-Type Activities	
	Principal Installments	Interest	Principal Installments	Interest
2026	\$ 206,424	\$ 81,807	\$ 944,000	\$ 855,559
2027	216,987	71,245	780,000	812,213
2028	139,458	61,422	805,000	785,083
2029	141,963	53,014	835,000	756,755
2030	150,883	44,094	860,000	727,153
2031 – 2035	639,017	75,898	3,991,009	3,178,575
2036 – 2040	----	----	4,355,000	2,301,125
2041 – 2045	----	----	5,385,000	1,271,200
2046 – 2050	----	----	2,740,000	460,400
2051 - 2056	----	----	615,000	24,600
Total Payments	\$ 1,494,732	\$ 387,480	\$ 21,310,009	\$ 11,172,662

NOTE 6 – TAXES:

Ad Valorem Taxes:

The City bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Rapides Parish. For the year ended June 30, 2025, the City has levied ad valorem taxes as follows:

<u>Description</u>	<u>Mills Levied</u>
Levied for general alimony as permitted by State Law. Revenue from taxes levied for general alimony is reported by the general fund.	5.85
Levied per proposition originally approved May 14, 1991 authorizing 10 mills for a period of 10 years beginning with 1991 and subsequently renewed through 2030 for the purpose of paying salaries of the employees of the fire and police departments. Due to the restricted nature of these taxes, the revenue is reported in a special revenue fund.	<u>10.00</u>
	<u>15.85</u>

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed.

Sales Taxes:

Sales taxes are collected by the Parish of Rapides and remitted to the City on a monthly basis. For the year ended June 30, 2025 the City has levied sales taxes as follows:

<u>Description</u>	<u>Percentage Levied</u>
Levied per proposition approved the citizens of Pineville authorizing a tax for the operation of the General Fund. Revenue generated by this tax is reported by the General fund.	1%

City of Pineville

Notes to Financial Statements

June 30, 2025

<u>Description</u>	<u>Percentage Levied</u>
<p>Levied per proposition approved by the citizens of Pineville authorizing a tax “with the avails or proceeds of said tax to be dedicated and pledged to the payment of principle and interest and other amounts required on any sales tax revenue bonds issued by the City for any lawful public purpose; provided, however, that the avails or proceeds of said tax not required in each month for principle, interest and other payments on any sales tax revenue bonds, shall be allocated in an amount equal to 50% of the proceeds of the tax for paying salaries of municipal employees of said City and the remaining proceeds of the tax for capital acquisitions for said City including equipment, furnishings and improvements to municipal property that may include but are not limited to streets, sidewalks, bridges, waterworks, sewers, drains and recreation and fire protection facilities. Since revenue from this source is subject to various restrictions, it is reported in a special revenue fund.</p>	1%
<p>Levied per proposition approved by the citizens of Pineville on July 16, 2006, authorizing a tax with 70% of the proceeds to be dedicated to salary and benefits, and 30% of the proceeds to be dedicated to capital improvement projects for the purpose of acquire, construction, improving, maintaining and operating public facilities, including water and sewer systems and street and drainage systems.</p>	0.5%

In addition to the taxes described above, the City is also entitled to receive a portion (5%) of a parish wide sales tax. Since the parish wide tax is unrestricted, its proceeds are reported as revenue by the general fund.

NOTE 7 – CAPITAL ASSETS

Changes in governmental and business-type capital assets are presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Non-Depreciable Capital Assets				
Land	\$ 2,820,709	\$ ----	\$ ----	\$ 2,820,709
Construction in Process	651,265	681,563	----	1,332,828
Total	<u>3,471,974</u>	<u>681,563</u>	<u>----</u>	<u>4,153,537</u>
Depreciable Capital Assets				
Buildings and Improvements	8,675,471	----	----	8,675,471
Furniture, Fixtures and Equipment	12,079,508	819,044	----	12,898,552
Infrastructure	31,899,654	1,424,875	----	33,324,529
Accumulated Depreciation	(28,942,332)	(2,028,680)	----	(30,971,012)
Total	<u>23,712,301</u>	<u>215,239</u>	<u>----</u>	<u>23,927,539</u>
Total Governmental Activities	<u>\$ 27,184,275</u>	<u>\$ 896,802</u>	<u>\$ ----</u>	<u>\$ 28,081,076</u>

City of Pineville

Notes to Financial Statements

June 30, 2025

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Business-Type Activities</u>				
Non Depreciable Capital Assets				
Airport Construction in Process	\$ ----	\$ 2,146,095	\$ ----	\$ 2,146,095
Utility Construction in Process	7,386,003	3,419,404	(3,904,837)	6,900,570
Total Construction in Process	<u>7,386,003</u>	<u>5,565,499</u>	<u>(3,904,837)</u>	<u>9,046,665</u>
Depreciable Capital Assets				
Sanitation Equipment	1,895,710	156,414	----	2,052,124
Utility Equipment	1,415,989	588,572	----	2,004,561
Utility System	56,462,922	3,904,837	----	60,367,759
Airport Improvements	2,980,443	----	----	2,980,443
Accumulated Depreciation	(34,217,186)	(1,662,104)	----	(35,879,290)
Total	<u>28,537,878</u>	<u>2,987,719</u>	<u>----</u>	<u>31,525,598</u>
Total Business-Type Activities	<u>\$ 35,923,881</u>	<u>\$ 8,553,218</u>	<u>(3,904,837)</u>	<u>\$ 40,572,263</u>

Depreciation expense charged to various functions presented on the statement of activities is presented as follows:

	Governmental Activities	Business-Type Activities	Total
Judicial	\$ 4,585	\$ ----	\$ 4,585
Finance & Administrative	2,186	----	2,186
Executive	10,421	----	10,421
Police Department	209,895	----	209,895
Fire Department	295,699	----	295,699
Public Works Administration	634	----	634
City Shop	11,118	----	11,118
Street Maintenance	1,050,986	----	1,050,986
Drainage Maintenance	150,936	----	150,936
Building Maintenance	64,964	----	64,964
Health & Welfare (Impounding)	13,028	----	13,028
Recreation Department	154,897	----	154,897
Community Services	13,313	----	13,313
Beautification	37,247	----	37,247
Special Events	8,772	----	8,772
Utility System	----	1,477,486	1,477,486
Sanitation	----	97,841	97,841
Airport	----	86,777	86,777
Total Depreciation Expense	<u>\$ 2,028,680</u>	<u>\$ 1,662,104</u>	<u>\$ 3,690,784</u>

NOTE 8 – ACCOUNTS AND OTHER PAYABLES

Details related to amounts reported as accounts and other payables are provided as follows:

City of Pineville

Notes to Financial Statements

June 30, 2025

	Governmental Activities			
	General Fund	Capital Improvements	Other	Total
Payable to Vendors	\$ 130,702	\$ 6,564	\$ 335,614	\$ 472,880
Construction Contract Retainage	----	----	----	----
Accrued Wages	386,228	----	----	386,228
Total	\$ 516,930	\$ 6,564	\$ 335,614	\$ 859,108

	Business-Type Activities			
	Utility System	Sanitation	Other	Total
Payable to Vendors	\$ 2,048	\$ 38,321	\$ 105,422	\$ 145,791
Construction Contract Retainage	307,923	----	----	307,923
Accrued Wages	48,503	34,595	----	83,098
Total	\$ 354,378	\$ 72,916	\$ 105,422	\$ 532,716

NOTE 9- RISK MANAGEMENT

The City is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City insures against these risks by participation in public entity risk pools that operate as common insurance programs and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 10 - RESTRICTED RESOURCES

The City's net position is subject to restrictions described as follows:

- Bond covenants require the City to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants.
- Certain sales taxes proceeds are available only for capital projects and the acquisition of equipment.
- The City has received funds subject to the requirement that these resources be used only to promote economic development.

NOTE 11 – PENSION PLANS:

Substantially all City employees are members of statewide retirement systems. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. A summary of amounts reported in connection with participation in these plans is summarized as follows:

City of Pineville

Notes to Financial Statements

June 30, 2025

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 3,070,790	\$ 945,426	\$ 164,132
Firefighters' Retirement System of Louisiana	4,222,539	1,277,862	946,887
Municipal Police Employees' Retirement System of Louisiana	<u>8,617,289</u>	<u>2,162,579</u>	<u>931,101</u>
Total	15,910,618	4,385,868	2,042,120
Portion Applicable to Business Type Activities	<u>891,421</u>	<u>380,429</u>	<u>66,045</u>
Portion Applicable to Government Type Activities	<u>\$ 15,019,197</u>	<u>\$ 4,005,439</u>	<u>\$ 1,976,075</u>

Further information regarding each of the retirement systems presented above is furnished as follows:

Municipal Employees' Retirement System of Louisiana:

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

Funding Policy - Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by State law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the system were equal to the required contributions for the year.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at mersla.com. The plans net pension liability was determined at June 30, 2024 (measurement date and actuarial valuation date) and details are provided as follows:

City of Pineville

Notes to Financial Statements

June 30, 2025

Net Pension Liability	\$ 60,677,323
City's Proportionate Share (Percentage)	5.06 %
City's Proportionate Share (Amount)	<u>\$ 3,070,790</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the City's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2024 are provided as follows:

Beginning Net Pension Liability	\$ 3,807,536
Employer Contributions	(716,073)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	498,700
Changes in Benefit Terms	----
Employee Contributions	<u>(178,807)</u>
Change in Deferred Outflows of Resources	(265,910)
Change in Deferred Inflows of Resources	<u>(74,656)</u>
Ending Net Pension Liability	<u>\$ 3,070,790</u>

There were no changes between June 30, 2025 and the Plan's measurement date that are expected to have a significant effect on the City's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences Between Expected and Actual Experience	\$ 29,157	\$ 25,117	\$ 4,040
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	110,524	----	110,524
Changes of Assumptions	----	114,309	(114,309)
Changes in Proportion	143,032	24,706	118,326
Employer Contributions Made After the Measurement Date	<u>662,713</u>	<u>-----</u>	<u>662,713</u>
Total Deferrals	945,426	164,132	781,294
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>662,713</u>	<u>----</u>	<u>662,713</u>
Deferrals Subject to Amortization	<u>\$ 282,713</u>	<u>\$ 164,132</u>	<u>\$ 118,581</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
June 30, 2025	\$ 2,750
June 30, 2026	276,721
June 30, 2027	(91,598)
June 30, 2028	<u>(69,292)</u>
Total	<u>\$ 118,581</u>

City of Pineville

Notes to Financial Statements

June 30, 2025

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions: Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation
Projected Salary Increases	1 to 2 years of service – 9.5% More than 2 years of service – 4.6%
Mortality Rates	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales.
Expected Remaining Service Lives	3 years

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	56%	2.44%
Public Fixed Income	29%	1.26%
Alternatives	15%	0.65%
Totals	<u>100%</u>	<u>4.35%</u>
Inflation		<u>2.50%</u>
Expected Arithmetic Nominal Return		<u>6.85%</u>

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

City of Pineville

Notes to Financial Statements

June 30, 2025

	1% Decrease 5.85% Discount Rate	Current Discount Rate 6.85%	1% Increase 7.85% Discount
Net Pension Liability	\$ 4,768,232	\$ 3,070,790	\$ 1,636,173

Firefighters' Retirement System of Louisiana

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

Funding Policy – Plan members are required by state statute to contribute 10.0 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the City are established and may be amended by state statute. As proved by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the plan were equal to the required contributions for the year.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lafirefightersret.com. The plans net pension liability was determined at June 30, 2024 (measurement date and actuarial valuation date) and details are provided as follows:

Net Pension Liability	\$ 563,057,298
City's Proportionate Share (Percentage)	0.75%
City's Proportionate Share (Amount)	<u>\$ 4,222,539</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the City's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2024 are provided as follows:

Beginning Net Pension Liability	\$ 5,355,284
Employer Contributions	(718,027)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	540,392
Changes in Benefit Terms	----
Employee Contributions	<u>(233,839)</u>
Change in Deferred Outflows of Resources	(676,714)
Change in Deferred Inflows of Resources	<u>(44,557)</u>
Ending Net Pension Liability	<u>\$ 4,222,539</u>

City of Pineville

Notes to Financial Statements

June 30, 2025

There were no changes between June 30, 2025 and the Plan's measurement date that are expected to have a significant effect on the City's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences Between Expected and Actual Experience	\$ 317,017	\$ 100,422	\$ 216,595
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	42,712	----	42,712
Changes of Assumptions	180,641	----	180,641
Changes in Proportion	----	846,465	(846,465)
Employer Contributions Made After the Measurement Date	<u>737,492</u>	<u>-----</u>	<u>737,492</u>
 Total Deferrals	 1,277,862	 946,887	 330,975
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>737,492</u>	<u>-----</u>	<u>737,492</u>
 Deferrals Subject to Amortization	 <u>\$ 540,370</u>	 <u>\$ 946,887</u>	 <u>\$ (406,517)</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

For the Year Ending:

June 30, 2025	\$ (223,173)
June 30, 2026	304,344
June 30, 2027	(271,856)
June 30, 2028	(183,692)
June 30, 2029	(11,001)
June 30, 2030	<u>(21,139)</u>

Total \$ (406,517)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	7 Years
Investment Rate of Return	6.90% per annum
Expected Remaining Service Lives	7 years, closed period
Inflation Rate	2.50% per annum
Projected Salary Increases	Vary from 14.10% in the first two years of service to 5.20% after 3 years.
Cost of Living Adjustments	Only those previously granted

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the

City of Pineville

Notes to Financial Statements

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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.

Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Expected Portfolio Real Rate of Return
U.S. Equity	28.50%	6.24%
Non-U.S. Equity	11.00%	6.36%
Global Equity	10.00%	6.42%
Emerging Market Equity	4.50%	8.26%
Fixed Income	30.00%	2.00 – 4.05%
Private Equity / Private Debt	9.00%	9.77%
Real Estate	4.00%	4.85%
Real Assets	3.00%	5.93%
Totals	100.00%	

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease 5.90% Discount Rate	Current Discount Rate 6.90%	1% Increase 7.90% Discount
Net Pension Liability	\$ 7,010,299	\$ 4,222,539	\$ 1,897,278

Municipal Police Employees' Retirement System of Louisiana

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

Funding Policy - Plan members are required by state statute to contribute 10.0 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the

City of Pineville

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City are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to the plan were equal to the required contributions for the year.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report available on the internet at www.lampers.org. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lampers.org. The plans net pension liability was determined at June 30, 2024 (measurement date and actuarial valuation date) and details are provided as follows:

Net Pension Liability	\$ 905,995,873
City's Proportionate Share (Percentage)	0.95%
City's Proportionate Share (Amount)	<u>\$ 8,617,289</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the City's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2024 are provided as follows:

Beginning Net Pension Liability	\$ 9,759,126
Employer Contributions	(1,139,383)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	1,175,423
Changes in Benefit Terms	----
Employee Contributions	<u>(247,406)</u>
Change in Deferred Outflows of Resources	(1,054,186)
Change in Deferred Inflows of Resources	<u>123,715</u>
Ending Net Pension Liability	<u>\$ 8,617,289</u>

There were no changes between June 30, 2025 and the Plan's measurement date that are expected to have a significant effect on the City's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences Between Expected and Actual Experience	\$ 466,563	\$ 260,676	\$ 205,887
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	239,555	----	239,555
Changes of Assumptions	----	----	----
Changes in Proportion	206,350	670,425	(464,075)
Employer Contributions Made After the Measurement Date	<u>1,250,111</u>	<u>----</u>	<u>1,250,111</u>
Total Deferrals	2,162,579	931,101	1,231,478
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>1,250,111</u>	<u>----</u>	<u>1,250,111</u>
Deferrals Subject to Amortization	<u>\$ 912,468</u>	<u>\$ 931,101</u>	<u>\$ (18,633)</u>

City of Pineville

Notes to Financial Statements

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Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
June 30, 2025	\$ (201,167)
June 30, 2026	567,043
June 30, 2027	(233,502)
June 30, 2028	<u>(151,007)</u>
Total	<u>\$ (18,633)</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation Date	June 30, 2024	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.750% per annum	
Expected Remaining Service Lives	4 Years	
Inflation Rate	2.50% per annum	
Projected Salary Increases Including Inflation and Merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1 - 2	12.30%
	Above 2	4.70%
Mortality	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used. For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used. For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	

City of Pineville

Notes to Financial Statements

June 30, 2025

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Equity	52.00%	3.14%
Fixed Income	34.00%	1.07%
Alternatives	14.00%	1.03%
Other	0.00%	0.00%
Totals	<u>100.00%</u>	<u>5.24%</u>
Inflation		<u>2.62%</u>
Expected Arithmetic Nominal Return		<u>7.86%</u>

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014 through June 30, 2019 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease 5.75% Discount Rate	Current Discount Rate 6.75%	1% Increase 7.75% Discount Rate
Net Pension Liability	\$ 12,800,770	\$ 8,617,289	\$ 5,124,895

NOTE 12 – INTERNAL BALANCES

Details related to internal balances are presented as follows:

<u>Governmental Activities</u>	<u>Receivable (Payable)</u>	<u>Purpose</u>
General	\$ 7,220,259	Various funds deposit cash into a single bank account and money is disbursed from the account on behalf of these funds. This commingling of resources results in interfund receivables and payables.
Dedicated 1 % Sales Tax	(553,324)	
Capital Improvements	12,955,009	
LCDBG Fund	(10,555,894)	
Dedicated 10 Mill Ad Valorem	(4,151,306)	
Non-major Governmental Funds	<u>(246,844)</u>	
	<u>\$ 4,667,898</u>	

City of Pineville

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June 30, 2025

<u>Business-Type Activities</u>	<u>Receivable (Payable)</u>	<u>Purpose</u>
Utility	6,500,907	Various funds deposit cash into a single bank account and money is disbursed from the account on behalf of these funds. This commingling of resources results in interfund receivables and payables.
Sanitation	(11,041,374)	
Non-major	(127,431)	
	<u>(4,667,898)</u>	

NOTE 13 - TRANSFERS

In the ordinary course of business, the City routinely transfers resources between its funds for various reasons. A description of the transfers and the purpose for the transfers is presented on the following page.

	<u>Governmental Activities</u>				<u>Total</u>
	<u>General Fund</u>	<u>Dedicated 1% Sales Tax</u>	<u>Capital Improvements</u>	<u>Dedicated Ad Valorem</u>	
<u>Transfers In</u>					
Transfers of resources from restricted funds to reimburse other funds for expenditures satisfying the restrictions.	\$ 4,747,047	\$ ----	\$ 3,194,962	\$ ----	\$ 7,942,009
Transfer excess utility revenues to the general fund.	----	----	----	----	----
Total Transfers In	<u>4,747,047</u>	<u>----</u>	<u>3,194,962</u>	<u>----</u>	<u>7,942,009</u>
<u>Transfers Out</u>					
Transfers of resources from restricted funds to reimburse other funds for expenditures satisfying the restrictions.	----	6,389,924	1,815,631	1,552,085	9,757,640
Net Transfers	<u>\$ 4,747,047</u>	<u>\$ (6,389,924)</u>	<u>\$ 1,379,331</u>	<u>\$ (1,552,085)</u>	<u>\$ (1,815,630)</u>

	<u>Business-Type Activities</u>			
	<u>Utility System</u>	<u>Sanitation</u>	<u>Other</u>	<u>Total</u>
<u>Transfers In</u>				
Transfers of resources from restricted funds to reimburse other funds for expenditures satisfying the restrictions.	\$ 1,361,624	\$ 454,006	\$ ----	\$ 1,815,630
<u>Transfers Out</u>				
Transfer excess utility revenues to the general fund.	----	----	----	----
Net Transfers	<u>\$ 1,361,624</u>	<u>\$ 454,006</u>	<u>\$ ----</u>	<u>\$ 1,815,630</u>

City of Pineville

Notes to Financial Statements

June 30, 2025

NOTE 14 – CONTINGENCIES:

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at June 30, 2025 are described as follows:

Litigation:

Like most governmental units with extensive and diverse operations, the City is occasionally named as a defendant in litigation. Based on consultation with City Attorney, the ultimate outcome of litigation that is pending or anticipated cannot be estimated at the present time. Typically, exposure to losses are expected to be limited to the deductible provisions of insurance policies.

Grant Compliance:

The City receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

NOTE 15 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The City of Pineville (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of Pineville’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification.

Benefits Provided – Medical benefits are provided through a self-insured medical plan and are made available to employees upon actual retirement. The employees are covered by one of four retirement systems: the Municipal Employees' Retirement System of Louisiana, the Firefighters' Retirement System of Louisiana, the Municipal Police Retirement System of Louisiana, and the Louisiana State Employees' Retirement System (LASERS). The retirement eligibility (D.R.O.P. entry) provisions of these systems are similar and since we did not have the identity of the system in which each active employee participates, we have assumed a composite retirement (D.R.O.P. entry) eligibility as follows: 25 years of service at any age; or, age 60 and 10 years of service.

Employees covered by benefit terms – At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	42
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	209
	<u>251</u>

Total OPEB Liability

The City’s total OPEB liability of \$8,963,207 was measured as of June 30, 2025 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%

City of Pineville

Notes to Financial Statements

June 30, 2025

Prior Discount rate	3.93%
Discount Rate	5.20% annually
Healthcare cost trend rates	Getzen model, initial trend of 5.5%
Mortality	Pub-2010/2021

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2025, the end of the applicable measurement period. The actuarial assumptions used in the June 30, 2025 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2024.

Changes in Total OPEB Liability

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Balances at June 30, 2024	\$ 7,784,977	\$ 1,744,185	\$ 9,529,162
Changes for the year:			
Service Cost	137,288	29,793	167,080
Interest	310,416	67,363	377,779
Differences between expected and actual experience	108,942	23,641	132,583
Changes in Assumptions	(862,106)	(187,084)	(1,049,190)
Benefit payments and net transfers	(159,579)	(34,630)	(194,209)
Net Changes	<u>(465,040)</u>	<u>(100,917)</u>	<u>(565,957)</u>
Balance at June 30, 2025	<u>\$ 7,319,937</u>	<u>\$ 1,643,268</u>	<u>\$ 8,963,205</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:

	1.0% Decrease (4.20 %)	Current Discount Rate (5.20%)	1.0% Increase (6.20%)
Total OPEB liability	\$ 9,810,790	\$ 8,963,205	\$ 8,228,672

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 8,228,456	\$ 8,963,205	\$ 9,804,879

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$(588,621). At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

City of Pineville

Notes to Financial Statements

June 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,100,114	\$ (4,726,813)
Changes in assumptions	1,057,929	(3,479,614)
Total	<u>\$ 4,158,043</u>	<u>\$ (8,206,428)</u>

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

For the Year Ending:

June 30, 2026	\$ (1,133,480)
June 30, 2027	(1,133,480)
June 30, 2028	(1,133,480)
June 30, 2029	(249,696)
June 30, 2030	(66,375)
Thereafter	<u>(331,874)</u>
Total	<u>\$ (4,048,385)</u>

NOTE 16 – ON BEHALF PAYMENTS

The State of Louisiana provides supplemental pay for public safety employees that meet certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are presented as follows:

Police Department	\$ 422,936
Fire Department	348,781
Judicial Department	27,415
Total	<u>\$ 799,132</u>

NOTE 17 – LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

The City is permitted by the Louisiana Department of Environmental Quality to operate a solid waste landfill facility that disposes of construction and demolition material.

State and federal laws and regulations require certain closure and post-closure activities. Although the majority of closure and post-closure care costs will be paid only near or after the date that all or portions of the landfill site stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each statement of net position date. Based on estimates provided by consulting engineers at May 3, 2025, projected cost associated with closure and post-closure activities are presented as follows:

City of Pineville

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June 30, 2025

	Projected Total Cost	Cost Recognized to Date	Remaining Cost to be Recognized	Estimated Capacity Consumed
<u>Closure Cost:</u> Placement, surveying, grading and seeding of final cover of final cover necessary to close the site.	\$ 509,057	\$ 356,340	\$ 152,717	70.0%
<u>Post Closure Cost:</u> Continuing maintenance for a post closure period of three years.	<u>23,466</u>	<u>16,426</u>	<u>7,040</u>	<u>70.0%</u>
Total Closure and Post-Closure Costs	<u>\$ 532,523</u>	<u>\$ 372,766</u>	<u>\$ 159,757</u>	<u>70.0%</u>

Based on current demographic information and engineering estimates management expects to operate the facility for five to ten additional years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The City has not established an escrow account to finance all closure costs and post-closure care but it has purchased a bond to provide for these costs. The City has met financial assurance requirements by maintaining a satisfactory financial condition the regulators believe with provide sufficient resources to meet obligations.

City of Pineville

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Taxes:				
Ad Valorem	\$ 721,500	\$ 602,000	\$ 726,845	\$ 124,845
Sales	9,900,000	10,336,000	10,457,882	121,882
Licenses & Permits:				
Franchise Fees	995,000	1,038,000	1,032,773	(5,227)
Occupational Licenses	290,000	290,000	879,326	589,326
Other	59,000	63,900	15,172	(48,728)
Intergovernmental	857,900	859,200	1,311,210	452,010
Fines and Forfeitures	247,000	137,000	48,105	(88,895)
Other	1,153,100	1,398,000	1,092,892	(305,108)
Total revenues	14,223,500	14,724,100	15,564,205	840,105
<u>General Government:</u>				
Current:				
General Government				
Judicial				
City Court	217,200	262,700	259,447	3,253
City Marshal	409,600	407,500	376,654	30,846
Executive	359,950	394,800	398,996	(4,196)
Finance & Administrative	1,936,900	1,955,500	2,049,751	(94,251)
Public Safety				
Police Department	7,791,140	7,909,940	7,814,164	95,776
Fire Department	5,966,800	5,975,400	5,917,652	57,748
Public Works				
Administration	406,000	436,300	434,105	2,195
City Shop	257,550	280,300	287,098	(6,798)
Street Maintenance	659,300	670,700	673,783	(3,083)
Drainage Maintenance	577,450	552,950	588,195	(35,245)
Building Maintenance	245,500	225,100	247,112	(22,012)
Beautification	461,300	491,000	498,159	(7,159)
Health & Welfare (Impounding)	451,500	400,600	398,953	1,647
Economic Development	-	-	-	-
Culture & Recreation				
Recreation Department	690,200	791,850	805,967	(14,117)
Community Services	603,500	800,807	7,702	793,105
Special Events	-	-	782,870	(782,870)
Youth Activities	-	-	3,536	(3,536)
Debt Service	-	-	-	-
Total expenditures	21,033,890	21,555,447	21,544,144	11,303

City of Pineville

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Budget and Actual - Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Excess (Deficiency) of				
Revenues Over Expenditures	(6,810,390)	(6,831,347)	(5,979,939)	851,408
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	6,810,390	6,831,347	4,747,047	(2,084,300)
Operating Transfers Out	-	-	-	-
Excess (Deficiency) of				
Revenues and Other Sources				
Over Expenditures and Other				
Uses	-	-	(1,232,892)	(1,232,892)
Fund Balance (Deficit) -				
Beginning of Year	<u>10,659,376</u>	<u>10,659,376</u>	<u>10,659,376</u>	<u>-</u>
Fund Balance (Deficit) -				
End of Year	<u>\$ 10,659,376</u>	<u>\$ 10,659,376</u>	<u>\$ 9,426,484</u>	<u>\$ (1,232,892)</u>

City of Pineville

Dedicated 1% Sales Tax Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Sales Taxes	\$ 5,700,000	\$ 6,210,000	\$ 6,389,924	\$ 179,924
Other	-	-	-	-
Total revenues	<u>5,700,000</u>	<u>6,210,000</u>	<u>6,389,924</u>	<u>179,924</u>
<u>General Government:</u>				
Current	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of				
Revenues Over Expenditures	5,700,000	6,210,000	6,389,924	179,924
<u>Other Financing Sources (Uses):</u>				
Operating Transfers Out	<u>(5,700,000)</u>	<u>(6,210,000)</u>	<u>(6,389,924)</u>	<u>(179,924)</u>
Excess (Deficiency) of				
Revenues and Other Sources				
Over Expenditures and Other				
Uses	-	-	-	-
Fund Balance (Deficit) -				
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) -				
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Pineville

Dedicated 10 Mill Ad Valorem Tax

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Ad Valorem Taxes	\$ 1,950,000	\$ 1,626,130	\$ 1,254,457	\$ (371,673)
Other	-	-	172,912	172,912
Total revenues	<u>1,950,000</u>	<u>1,626,130</u>	<u>1,427,369</u>	<u>(198,761)</u>
<u>General Government:</u>				
Current	-	-	21,160	(21,160)
Total expenditures	<u>-</u>	<u>-</u>	<u>21,160</u>	<u>(21,160)</u>
Excess (Deficiency) of Revenues Over Expenditures	1,950,000	1,626,130	1,406,209	(219,921)
<u>Other Financing Sources (Uses):</u>				
Operating Transfers Out	<u>(1,950,000)</u>	<u>(1,626,130)</u>	<u>(1,552,085)</u>	<u>74,045</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	(145,876)	(145,876)
Fund Balance (Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>145,876</u>	<u>-</u>
Fund Balance (Deficit) - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (145,876)</u>

City of Pineville

Schedule of Changes in Net OPEB Liability
Retiree Healthcare Plan

	For the Year June 30th							
	2018	2019	2020	2021	2022	2023	2024	2025
<u>Total OPEB Liability</u>								
Beginning Balance	\$14,450,310	\$15,137,260	\$14,517,973	\$14,073,102	\$15,666,236	\$6,940,953	\$7,377,619	\$ 9,529,162
Service Cost	421,237	384,789	404,035	538,635	554,674	180,654	178,955	167,080
Interest	575,529	593,258	515,200	316,967	344,381	248,907	272,549	377,779
Differences Between expected and Actual Experience	771,219	(1,911,362)	(2,646,993)	922,576	(6,347,021)	344,717	3,412,112	132,583
Changes in Assumptions	(700,146)	715,866	1,665,068	218,156	(3,027,471)	(74,024)	(1,527,989)	(1,049,190)
Benefit Payments	(380,889)	(401,838)	(382,181)	(403,201)	(249,846)	(263,588)	(184,084)	(194,209)
Ending Balance	<u>15,137,260</u>	<u>14,517,973</u>	<u>14,073,102</u>	<u>15,666,236</u>	<u>6,940,953</u>	<u>7,377,619</u>	<u>9,529,162</u>	<u>8,963,205</u>
<u>Fiduciary Net Position</u>								
Beginning Balance	-	-	-	-	-	-	-	-
Employer Contributions	380,889	401,838	382,181	403,201	249,846	263,588	184,084	194,209
Benefit Payments	(380,889)	(401,838)	(382,181)	(403,201)	(249,846)	(263,588)	(184,084)	(194,209)
Ending Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB Liability	<u>\$15,137,260</u>	<u>\$14,517,973</u>	<u>\$14,073,102</u>	<u>\$15,666,236</u>	<u>\$ 6,940,953</u>	<u>\$7,377,619</u>	<u>\$9,529,162</u>	<u>\$ 8,963,205</u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered Payroll	7,626,986	7,855,796	8,398,021	8,649,962	7,409,805	7,632,099	8,154,792	8,399,436
Net OPEB Liability as a Percentage of Covered Payroll	198.47%	184.81%	167.58%	181.11%	93.67%	96.67%	116.85%	106.71%
Notes to Schedule:								
Benefit Change:	None	None	None	None	None	None	None	None
Changes of Assumptions								
Discount Rate:	3.87%	3.50%	2.21%	2.16%	3.54%	3.65%	3.93%	5.20%
Mortality:	RP-2000	RP-2000	RP-2014	RP-2014	RP-2014	RP-2014	Publication 2010/2021	Publication 2010/2021
Trend:	5.50%	5.50%	Variable	Variable	Variable	Variable	Getzen Model	Getzen Model

This schedule is intended to fulfill requirements to present information for a period of 10 years. However, until a full 10 year trend has been compiled, information is presented only for the years for which the required information is available.

There are no assets accumulated in a trust that meets criteria established by Governmental Accounting Standards to pay related benefits. In addition, there are no known factors that can be expected to significantly effect the amounts reported.

City of Pineville

Schedule of Net Pension Liability Data Cost Sharing Retirement Systems

Retirement System / Measurement Date	Share of Collective		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Net Pension Liability				
	Percent	Amount			
Municipal Employees' Retirement System					
June 30, 2015	4.95%	3,361,045	3,948,863	85.1%	68.7%
June 30, 2016	4.96%	4,111,470	4,420,884	93.0%	63.3%
June 30, 2017	5.05%	4,365,525	4,336,368	100.7%	63.5%
June 30, 2018	5.33%	4,511,181	3,952,483	114.1%	65.6%
June 30, 2019	5.25%	4,595,380	4,025,429	114.2%	66.1%
June 30, 2020	5.31%	4,811,603	4,114,329	116.9%	66.3%
June 30, 2021	5.01%	2,901,968	3,823,641	75.9%	79.1%
June 30, 2022	4.85%	4,259,590	3,848,977	110.7%	69.6%
June 30, 2023	4.75%	3,807,536	4,021,981	94.7%	72.5%
June 30, 2024	5.06%	3,070,790	4,557,600	67.4%	80.1%
Firefighters' Retirement System					
June 30, 2015	1.14%	6,135,852	2,312,995	265.3%	72.4%
June 30, 2016	1.10%	7,202,065	2,234,034	322.4%	68.2%
June 30, 2017	1.06%	6,070,785	2,135,627	284.3%	73.5%
June 30, 2018	1.05%	6,056,236	2,506,732	241.6%	74.8%
June 30, 2019	1.03%	6,460,932	2,499,094	258.5%	74.0%
June 30, 2020	0.96%	6,654,911	2,402,667	277.0%	72.6%
June 30, 2021	0.89%	3,143,102	2,224,640	141.3%	86.8%
June 30, 2022	0.84%	5,891,898	2,150,499	274.0%	74.7%
June 30, 2023	0.82%	5,355,284	2,202,593	243.1%	77.7%
June 30, 2024	0.75%	4,222,539	2,151,948	196.2%	81.7%
Municipal Police Employees' Retirement System					
June 30, 2015	0.95%	7,413,585	2,722,695	272.3%	70.7%
June 30, 2016	0.97%	9,108,298	2,797,770	325.6%	66.0%
June 30, 2017	0.93%	8,157,271	3,192,983	255.5%	70.1%
June 30, 2018	1.09%	9,199,363	3,211,301	286.5%	71.9%
June 30, 2019	1.07%	9,700,981	3,325,904	291.7%	71.0%
June 30, 2020	1.09%	10,099,409	3,386,160	298.3%	70.9%
June 30, 2021	1.07%	5,711,852	3,259,957	175.2%	84.1%
June 30, 2022	1.09%	11,123,152	3,355,686	331.5%	70.8%
June 30, 2023	0.92%	9,759,126	3,129,242	311.9%	71.3%
June 30, 2024	0.95%	8,617,289	3,352,942	257.0%	75.8%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

City of Pineville

Schedule of Employer Contributions Cost Sharing Retirement Systems

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Municipal Employees' Retirement System					
June 30, 2015	375,142	325,892	49,250	3,948,863	8.25%
June 30, 2016	419,984	346,199	73,785	4,420,884	7.83%
June 30, 2017	411,955	413,092	(1,137)	4,336,368	9.53%
June 30, 2018	523,704	526,783	(3,079)	3,952,483	13.33%
June 30, 2019	563,560	562,050	1,510	4,025,429	13.96%
June 30, 2020	576,006	576,059	(53)	4,114,329	14.00%
June 30, 2021	600,615	596,720	3,895	3,823,641	15.61%
June 30, 2022	605,963	604,575	1,388	3,848,977	15.71%
June 30, 2023	623,407	631,963	(8,556)	4,021,981	15.71%
June 30, 2024	714,578	716,073	(1,495)	4,557,600	15.71%
Firefighters's Retirement System					
June 30, 2015	676,551	707,739	(31,188)	2,312,995	30.60%
June 30, 2016	653,455	677,577	(24,122)	2,234,034	30.33%
June 30, 2017	624,671	625,857	(1,186)	2,135,627	29.31%
June 30, 2018	664,284	665,881	(1,597)	2,506,732	26.56%
June 30, 2019	662,260	662,464	(204)	2,499,094	26.51%
June 30, 2020	666,740	665,060	1,680	2,402,667	27.68%
June 30, 2021	719,142	717,447	1,695	2,224,640	32.25%
June 30, 2022	728,273	726,547	1,726	2,150,499	33.79%
June 30, 2023	732,362	734,297	(1,935)	2,202,593	33.34%
June 30, 2024	716,544	718,027	(1,483)	2,151,948	33.37%
Municipal Police Employees' Retirement System					
June 30, 2015	803,195	797,993	5,202	2,722,695	29.31%
June 30, 2016	918,003	803,861	114,142	2,797,770	28.73%
June 30, 2017	885,613	886,204	(591)	3,192,983	27.75%
June 30, 2018	987,475	988,436	(961)	3,211,301	30.78%
June 30, 2019	1,072,604	1,076,936	(4,332)	3,325,904	32.38%
June 30, 2020	1,100,502	1,099,460	1,042	3,386,160	32.47%
June 30, 2021	1,103,430	1,103,304	126	3,259,957	33.84%
June 30, 2022	1,000,805	999,410	1,395	3,355,686	29.78%
June 30, 2023	977,889	979,621	(1,732)	3,129,242	31.31%
June 30, 2024	1,137,484	1,139,383	(1,899)	3,352,942	33.98%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

City of Pineville

Combining Balance Sheet Non Major Governmental Funds June 30, 2025

	Economic Development		Cemetery Fund	Court Witness Fees	Asset Forfeiture	Total Non Major Funds
	Hotel Motel Tax	Utility Franchise				
Assets						
Cash and Cash Equivalents	\$ 729,301	\$ -	\$ 77,019	\$ -	\$ 6,334	\$ 812,654
Receivables (net)	-	-	-	-	-	-
Interfund Receivables	-	67,652	-	25,465	49,068	142,185
Restricted cash	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
Total assets	<u>\$ 729,301</u>	<u>\$ 67,652</u>	<u>\$ 77,019</u>	<u>\$ 25,465</u>	<u>\$ 55,402</u>	<u>\$ 954,839</u>
Liabilities and Fund Balance						
<u>Liabilities</u>						
Accounts payable	\$ 1,391	\$ -	\$ -	\$ -	\$ -	1,391
Interfund Payables	379,207	-	9,822	-	-	389,029
Total liabilities	<u>380,598</u>	<u>-</u>	<u>9,822</u>	<u>-</u>	<u>-</u>	<u>390,420</u>
<u>Fund Balance</u>						
Restricted For:						
Economic Development	348,703	67,652	-	-	-	416,355
Other Special Purposes	-	-	67,197	25,465	55,402	148,064
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>348,703</u>	<u>67,652</u>	<u>67,197</u>	<u>25,465</u>	<u>55,402</u>	<u>564,419</u>
Total Liabilities and Fund Balance	<u>\$ 729,301</u>	<u>\$ 67,652</u>	<u>\$ 77,019</u>	<u>\$ 25,465</u>	<u>\$ 55,402</u>	<u>\$ 954,839</u>

City of Pineville

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Non Major Governmental Funds - Year Ended June 30, 2025

	Economic Development					Total
	Hotel Motel Tax	Utility Franchise	Cemetery Fund	Court Witness Fees	Asset Forfeiture	Non Major Funds
Revenues:						
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	222,535	-	-	-	-	222,535
Licenses & Permits:						
Franchise Fees	-	-	-	-	-	-
Other	32,804	-	3,530	10,565	281	47,180
Total Revenues	255,339	-	3,530	10,565	281	269,715
Expenditures:						
Current:						
Economic Development	244,575	-	-	-	-	244,575
City Court	-	-	-	58,703	-	58,703
Street Maintenance	-	-	-	-	-	-
Health & Welfare	-	-	-	-	-	-
Administrative Expenditures	-	-	1,423	-	-	1,423
Capital Expenditures	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	244,575	-	1,423	58,703	-	304,701
Excess (Deficiency) of						
Revenues Over Expenditures	10,764	-	2,107	(48,138)	281	(34,986)
Other Financing Sources (Uses):						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Excess (Deficiency) of						
Revenues and Other Sources Over Expenditures and Other Uses	10,764	-	2,107	(48,138)	281	(34,986)
Fund Balance (Deficit)						
Beginning of Year	337,939	67,652	65,090	73,603	55,121	599,405
End of Year	\$ 348,703	\$ 67,652	\$ 67,197	\$ 25,465	\$ 55,402	\$ 564,419

City of Pineville

Schedule of Expenditures of Federal Awards For the year ended June 30, 2025

<u>Federal Grantor / Pass-through Grantor / Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
Department of Transportation		
Passed Through Louisiana Highway Safety Commission		
National Priority Safety Programs	20.616	<u>42,344</u>
Total Highway Safety Cluster		<u>42,344</u>
Total Department of Transportation		<u>42,344</u>
Department of Housing and Urban Development		
Passed Through the Louisiana Division of Administration		
Community Development Block Grant-Disaster Relief/ State's Program	14.228	<u>406,118</u>
Total Department of Housing and Urban Development		<u>406,118</u>
Department of Justice		
Passed Through Louisiana Commission on Law Enforcement		
Crime Victim Assistance	16.575	21,249
Violence Against Women Formula Grants	16.588	11,461
Edward Byrne Memorial Justice Grant Program	16.738	<u>5,756</u>
Total Department of Justice		<u>38,466</u>
Department of the Treasury		
"COVID-19" - Coronavirus State and Local Fiscal Recovery Funds -		
Water Sector	21.027	<u>1,142,518</u>
Total Department of the Treasury		<u>1,142,518</u>
Department of Homeland Security (DHS)		
Passed Through Office of Homeland Security and Emergency Preparedness		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	<u>12,916</u>
Total Department of Homeland Security (DHS)		<u>12,916</u>
Total Expenditure of Federal Awards		<u>\$ 1,642,362</u>

Note

The schedule of expenditures of federal awards was prepared in conformity with generally accepted accounting principles. See Note 1 of the accompanying financial statements for further details. Furthermore, the City of Pineville has not used the 10% de minimus indirect cost rate.

CITY OF PINEVILLE

Schedule of Compensation Paid to Board Members For the Year Ended June 30, 2025

Joe Bishop	65,707
Rich Dupree	\$ 35,624
Mary Galloway	4,000
Randy O'Neal	7,633
Kevin Dorn	12,000
Nathan Martin	12,000
Tom Bouchie	12,000
Christy Frederic	<u>12,000</u>
Total Compensation	<u>\$ 95,257</u>

CITY OF PINEVILLE

***Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2025***

Agency Head (Mayor)

	Rich Dupree	Joe Bishop
Purpose:		
Compensation	\$ 35,624	\$ 65,707
<u>Benefits</u>		
Health Insurance	3,896	0
Life Insurance	18	32
Payroll Taxes	2,553	5,027
Retirement	4,987	9,033
Reimbursements	-	-

City of Pineville

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, 2025

	First Six Month Period Ended December 31, 2024	Second Six Month Period Ended June 30, 2025
Receipts From:		
Pineville City Prosecutor - Criminal Court Costs/Fees	34,105	17,700
Pineville City Court Fine Fees - Criminal Court Costs/Fees	<u>68,492</u>	<u>68,764</u>
Subtotal Receipts	<u>102,597</u>	<u>86,464</u>
Ending Balance of Amounts Assessed but Not Received	-	-



December 26, 2025

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*

To the Honorable Mayor
and the Board of Aldermen
City of Pineville, 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 City of Pineville, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City of Pineville's basic financial statements, and have issued our report thereon dated December 26, 2025.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether City of Pineville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Rozier, McKay & Willis
Certified Public Accountants
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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.



ROZIER, MCKAY & WILLIS
Certified Public Accountants
Alexandria, Louisiana



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

To the Honorable Mayor
and the Board of Aldermen
City of Pineville, Louisiana

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited City of Pineville's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Pineville 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, 2024.

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 of Pineville 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 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 of Pineville'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 of Pineville'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



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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 of Pineville'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 of Pineville'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.

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.



Rozier, McKay & Willis
Alexandria, Louisiana
December 26, 2025

CITY OF PINEVILLE

Summary of Findings and Questioned Cost June 30, 2025

PART I - SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

- The Independent Auditor's Report on the financial statements for the City of Pineville as of June 30, 2025 and for the year then ended expressed an unmodified opinion.
- No material weaknesses in internal control were identified.
- No significant deficiency(ies) that are not considered to be a material weakness were identified.
- No instances of noncompliance material to the financial statements of the City of Pineville were disclosed during the audit.

Federal Awards

- No deficiencies in internal control over major federal award programs were disclosed during the audit. Accordingly, there were no material weaknesses applicable to major federal award programs.
- The Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance required by the Uniform Guidance expressed an unmodified opinion on compliance for major programs.
- The audit did not disclose any audit findings which are required to be reported as findings and questioned cost in connection with Federal Programs.
- Major Programs for the year ended June 30, 2025 are presented as follows:

Department of the Treasury

Assistance Listing No. 21.027 – "COVID-19" Coronavirus State and Local Fiscal Recovery Funds

- A threshold of \$750,000 was used for distinguishing between type A and Type B Programs for purposes of identifying major programs
- The City of Pineville was not considered a low-risk auditee as defined by the Uniform Guidance

PART II

FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

- None

PART III

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY THE UNIFORM GUIDANCE:

- None

CITY OF PINEVILLE

Management's Corrective Action Plan

June 30, 2025

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
<u>FINDINGS</u> No Findings of this nature.	<u>RESPONSE</u> No response necessary
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
<u>FINDINGS</u> No Findings of this nature.	<u>RESPONSE</u> No response necessary
SECTION III MANAGEMENT LETTER	
<u>FINDINGS</u> No Findings of this nature.	<u>RESPONSE</u> No response necessary

CITY OF PINEVILLE

Summary of Prior Year Findings and Questioned Response June 30, 2025

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>2024-001: Related Party Transactions</u> During the current year, several related party transactions were identified, which did not appear to have been conducted at an arm’s length.</p>	<u>Resolved</u>
<p><u>2024-001: Credit Card Policies, Waste, and Abuse</u> A lack of written policies contributed to an employee incurring thousands of dollars in charges that are indicative of waste and abuse, including insurances paid on behalf of third parties, online fees paid on behalf of individuals and entities not affiliated with the City, transactions without a clear business purpose, sales tax paid, and items delivered to the employee’s personal residence. In addition, the previous Mayor incurred several transactions without a clear business purpose to the City.</p>	<u>Resolved</u>
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
<u>FINDINGS</u>	<u>RESPONSE</u>
No Findings of this nature.	No response necessary
SECTION III MANAGEMENT LETTER	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>ML-1-2024 – Public Bid Law</u> All contracts for public works exceeding \$250,000 must be advertised for bid and let for contract with the lowest responsible and responsive bidder. The Legislative Auditor recommends that contracts for public works valued at \$250,000 or less be administered through a Request for Proposal (RFP) process and/or solicitation of at least three bids, even though the statute does not require them to be bid.</p>	<u>Resolved</u>

APPENDIX A
Statewide Agreed-Upon Procedures



Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the City of Pineville and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the City of Pineville (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The entity 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 described above. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged 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 entity 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.

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
December 26, 2025



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Certified Public Accountants
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City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none"> • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment 	<p>The Entity has written procedures regarding the following functions, including all specified components:</p> <ul style="list-style-type: none"> • Payroll/Personnel • Sexual Harassment <p>The Entity does not have written procedures regarding the following functions:</p> <ul style="list-style-type: none"> • Budgeting • Purchasing • Disbursements • Receipts • Contracting • Credit Cards • Travel and Expense Reimbursements • Ethics • Debt Service • Disaster Recovery/Business Continuity 	<p><i>We will work with our human resource director, attorney, and others to continue work on our comprehensive written procedure policy, which is in progress.</i></p>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:</p> <p>a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.</i></p> <p>c) For governmental entities, obtain the prior year audit report and observe the</p>	<p><i>Test was not required for year 2.</i></p> <p><i>Test was not required for year 2.</i></p> <p><i>Test was not required for year 2.</i></p>	<p><i>Test was not required for year 2.</i></p> <p><i>Test was not required for year 2.</i></p> <p><i>Test was not required for year 2.</i></p>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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.</p> <p>d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.</p>	<p><i>Test was not required for year 2.</i></p>	<p><i>Test was not required for year 2.</i></p>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Bank Reconciliations		
Agreed-Upon Procedure	Results	Managements' Response
<p>3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and</p> <p>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.</p>	<p>Reconciliations were prepared within the required period of time.</p> <p>A member of management reviews bank reconciliations, but also has the ability to post ledgers and issue checks.</p> <p>The Entity had not researched every item outstanding for more than 12 months.</p>	<p><i>The results did not include findings or criticism.</i></p> <p><i>While the finance director, who reviews bank reconciliations, has the ability to post to ledger and issue checks, compensating controls are in place to ensure review of the entries posted and checks written.</i></p> <p><i>We will make efforts to reconcile each item that has been outstanding for more than 12 months.</i></p>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>4 Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).</p>	<p><i>Test was not required for year 2.</i></p>	<p><i>Test was not required for year 2.</i></p>
<p>5 For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:</p> <p>a) Employees that are responsible for cash collections do not share cash drawers/registers.</p>	<p><i>Test was not required for year 2.</i></p>	<p><i>Test was not required for year 2.</i></p>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
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.	<i>Test was not required for year 2.</i>	<i>Test was not required for year 2.</i>
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.	<i>Test was not required for year 2.</i>	<i>Test was not required for year 2.</i>
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.	<i>Test was not required for year 2.</i>	<i>Test was not required for year 2.</i>
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	<i>Test was not required for year 2.</i>	<i>Test was not required for year 2.</i>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p> <p>a. Observe that receipts are sequentially pre-numbered.</p> <p>b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c. Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).</p> <p>e. Trace the actual deposit per the bank statement to the general ledger.</p>	<p><i>Test was not required for year 2.</i></p>	<p><i>Test was not required for year 2.</i></p>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
8 Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).	Management provided a listing of locations and represented its completeness.	<i>The results did not include findings or criticisms.</i>
9 For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:		
a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.	Purchases require involvement from multiple parties.	<i>The results did not include findings or criticisms.</i>
b) At least two employees are involved in processing and approving payments to vendors.	Processing and approval involve multiple parties.	<i>The results did not include findings or criticisms.</i>
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.	Personnel responsible for initiating payments have the necessary access to add vendors; however, the Finance Director periodically reviews changes to vendor files.	<i>The results did not include findings or criticisms.</i>
d) Either the employee/official responsible for signing checks mails the payment or gives	The employee who mails checks is not responsible for processing payments.	<i>The results did not include findings or criticisms.</i>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
<p>the signed checks to an employee to mail who is not responsible for processing payments.</p> <p>10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:</p> <p>a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p>b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p>	<p>Disbursements are supported by invoices.</p> <p>Disbursement documentation included evidence of segregation of duties.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
11 Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.	All five of the selected transactions were approved by the required number of authorized signers per the entity's policy	<i>The results did not include findings or criticisms.</i>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
<p>12 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.</p>	<p>Management provided a listing of all active credit cards and represented that the listing was complete.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>13 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:</p> <p>a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.</p> <p>b. Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>All five of the selected credit card transactions showed evidence of independent review and approval by someone other than the authorized cardholder</p> <p>The statements examined did not have finance charges or late fees assessed.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
14 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	All five of the selected credit card transactions contained clear documentation of their business purpose.	<i>The results did not include findings or criticisms.</i>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
<p>15 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).</p>	<p>Each reimbursement was either a reimbursement of actual costs or was a reimbursement utilizing rates established by the GSA.</p> <p>All transactions had proper supporting documentation.</p> <p>All transactions had proper supporting documentation.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement. e.	Two of the selected transactions lacked evidence of review and approval by someone other than the individual receiving reimbursement.	<i>We will work to ensure that all transactions have review and approval by someone other than the individual receiving the reimbursement.</i>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
<p>16 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:</p> <p>a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.</p> <p>b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).</p> <p>c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.</p> <p>d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.</p>	<p><i>Test was not required for year 2.</i></p>	<p><i>Test was not required for year 2.</i></p>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
17 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.	<i>Test was not required for year 2.</i>	<i>Test was not required for year 2.</i>
18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:	<i>Test was not required for year 2.</i>	<i>Test was not required for year 2.</i>
a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).	<i>Test was not required for year 2.</i>	<i>Test was not required for year 2.</i>
b. Observe that supervisors approved the attendance and leave of the selected employees/officials.	<i>Test was not required for year 2.</i>	<i>Test was not required for year 2.</i>
c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.	<i>Test was not required for year 2.</i>	<i>Test was not required for year 2.</i>
19 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination	<i>Test was not required for year 2.</i>	<i>Test was not required for year 2.</i>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.		
20 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	<i>Test was not required for year 2.</i>	<i>Test was not required for year 2.</i>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
<p>21 Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:</p> <p>a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p> <p>b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.</p>	<p>Documentation was available demonstrating each employee completed one hour of ethics training.</p> <p>The entity has not adopted a written ethics policy.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>While ethical standards are communicated clearly to employees, we will work with our attorney and human resource director to develop a comprehensive written policy.</i></p>
<p>22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.</p>	<p>The City has appointed an ethics designee</p>	<p><i>The results did not include findings or criticisms.</i></p>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
23 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	<i>Test was not required for year 2.</i>	<i>Test was not required for year 2.</i>
24 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.	<i>Test was not required for year 2.</i>	<i>Test was not required for year 2.</i>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Fraud Notice		
Agreed-Upon Procedure	Results	Managements' Response
25 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	No misappropriations were identified.	<i>The results did not include findings or criticisms.</i>
26 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	The notice posted in the City's administrative offices.	<i>The results did not include findings or criticisms.</i>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
27 Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."	We performed the procedure and discussed the results with management	<i>The results did not include findings or criticisms.</i>
a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.	We performed the procedure and discussed the results with management	<i>The results did not include findings or criticisms.</i>
b. Obtain and inspect 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 observe evidence that the test/verification was successfully performed within the past 3 months.	We performed the procedure and discussed the results with management	<i>The results did not include findings or criticisms.</i>
c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.	We performed the procedure and discussed the results with management	<i>The results did not include findings or criticisms.</i>
28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using	We performed the procedure and discussed the results with management	<i>The results did not include findings or criticisms.</i>

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
<p>the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.</p> <p>29 Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267¹. The requirements are as follows:</p> <ol style="list-style-type: none"> 1. Hired before June 9, 2020 - completed the training; and 2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment. 	<p>All selected employees presented evidence of completing the cybersecurity training in the current year.</p>	<p><i>The results did not include findings or criticisms.</i></p>

¹ While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

City of Pineville

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
<p>30 Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.</p>	<p>Documentation demonstrating each employee completed at least one hour of sexual harassment training was available for all five of the selected employees/officials.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>31 Observe 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).</p>	<p>The Entity's sexual harassment policy was not on the entity's website but was in a conspicuous location on the Entity's premises.</p>	<p><i>We will work with our attorney and determine the cost benefit of adding our harassment policy on our website. However, we have communicated our policy regularly to our staff and committed to regular sexual harassment training.</i></p>
<p>32 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:</p> <ul style="list-style-type: none"> 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. 	<p>The Entity provided an annual report, which documented all requirements of R.S. 42:344. However, the report was dated after February 1.</p>	<p><i>In the future, we will work to issue the report before February 1.</i></p>