



***ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023***



TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report.....	1 -3
<u>Required Supplemental Information (Part I)</u>	
Management's Discussion and Analysis.....	4 - 7
<u>Government-Wide Financial Statements</u>	
Statement of Net Position.....	8
Statement of Activities.....	9 - 10
<u>Fund Financial Statements</u>	
Governmental Funds	
Balance Sheet.....	11
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position.....	12
Statement of Revenues, Expenditures and Changes in Fund Balance.....	13 - 14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	15
Proprietary Funds	
Statement of Net Position.....	16
Statement of Revenues, Expenditures and Changes in Fund Net Position.....	17
Statement of Cash Flows.....	18 - 19
Notes to Financial Statements.....	20 - 43
<u>Required Supplemental Information (Part II)</u>	
Statement of Revenues, Expenditures and Changes in Fund Balances (Budget and Actual)	
General Fund.....	44 - 45
Dedicated 1% Sales Tax.....	46
Schedule of Changes in Net OPEB Liability.....	47
Schedule of Net Pension Liability Data.....	48
Schedule of Employer Contributions.....	49
<u>Other Supplemental Information</u>	
Combining Balance Sheet – Non-Major Governmental Funds.....	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds.....	51
Schedule of Expenditures of Federal Awards.....	52
Schedule of Per Diem Paid to Board Members.....	53
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer.....	54
Justice System Funding Schedule – Receiving Entity.....	55
<u>Additional Information</u>	
Independent Auditors' Report on Compliance and On Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	56 - 57
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	58 - 59
Schedule of Findings and Questioned Cost.....	60 - 61
Management's Corrective Action Plan.....	62
Summary of Prior Year Findings and Response.....	63
Statewide Agreed Upon Procedures.....	Appendix A



December 27, 2023

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Pineville, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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.

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 27, 2023, 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

City of Pineville

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

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, 2023.

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, 2023

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, 2023			For the Year Ended June 30, 2022
	Govern- mental Activities	Business- Type Activities	Total	
<u>Assets:</u>				
Current and Other Assets	\$ 9,723,017	\$ 27,160,190	\$ 36,883,207	\$ 34,123,543
Internal Balances	18,153,566	(18,153,566)	----	----
Capital Assets	25,211,146	30,810,528	56,021,674	50,865,298
Total Assets	53,087,729	39,817,152	92,904,881	84,988,841
Deferred Outflow of Resources	9,084,452	946,550	10,031,002	6,986,699
<u>Liabilities:</u>				
Current and Other Liabilities	557,696	1,004,474	1,562,170	1,556,145
Long-term Liabilities	27,600,097	17,945,336	45,545,433	35,117,401
Total Liabilities	28,157,793	18,949,810	47,107,603	36,673,546
Deferred Inflow of Resources	9,528,363	1,617,286	11,145,649	19,033,283
<u>Net Position:</u>				
Invested in Capital Assets (Net)	24,302,790	16,316,444	40,619,234	36,042,848
Restricted	16,318,188	77,013	16,395,201	15,238,113
Unrestricted	(16,134,953)	3,803,149	(12,331,804)	(15,012,250)
Total Net Position	\$ 24,486,025	\$ 20,196,606	\$ 44,682,631	\$ 36,268,711

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.

Recognizing long-term liabilities associated with providing retirement benefits and post-retirement healthcare benefits to the City's employees has eliminated the City's remaining net position. Despite the absence of net position, the City has sufficient resources to meet these obligations 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, 2023

	For the Year Ended June 30, 2023			For the
	Govern- mental Activities	Business- Type Activities	Total	Year Ended June 30, 2022
Revenues:				
Program Revenue:				
Charges for Services	\$ 631,122	\$ 10,735,000	\$ 11,366,122	\$ 11,301,437
Operating Grants and Contributions	3,722,346	----	3,722,346	3,936,644
Capital Grants and Contributions	1,939,568	274,200	2,213,768	431,017
General Revenue:				
Property Taxes	1,848,652	----	1,848,652	1,772,722
Sales Taxes	16,241,816	----	16,241,816	15,105,123
Franchise Fees	1,138,369	----	1,138,369	1,050,124
Occupational Licenses	903,095	----	903,095	782,963
Intergovernmental	----	----	----	----
Other	393,204	86,047	479,251	76,848
Total Revenue	26,818,172	11,095,247	37,913,419	34,456,878
Program Expenses:				
General Government	2,594,949	----	2,594,949	2,329,826
Public Safety				
Police Department	7,487,553	----	7,487,553	6,220,727
Fire Department	4,996,497	----	4,996,497	4,145,317
Public Works	3,751,572	----	3,751,572	3,427,806
Health & Welfare	239,202	----	239,202	131,846
Economic Development	189,854	----	189,854	148,327
Culture and Recreation	1,432,225	----	1,432,225	1,593,648
Utility Service	----	6,108,420	6,108,420	5,470,292
Sanitation	----	2,568,717	2,568,717	1,843,942
Other	22,617	107,893	107,893	195,233
Total Expenses	20,714,469	8,785,030	29,499,499	25,527,798
Increase in Net Position Before Transfers and Special Items	6,103,703	2,310,217	8,413,920	8,929,080
Transfers	258,682	(258,682)	----	----
Special Items	----	----	----	----
			-	
Change in Net Position	6,362,385	2,051,535	8,413,920	8,929,080
Net Position Beginning	18,123,640	18,145,071	36,268,711	27,339,631
Net Position Ending	\$ 24,486,025	\$ 20,196,606	\$ 44,682,631	\$ 36,268,711

Governmental activities increased the City's net position by \$6,362,385. This increase is primarily due to the receipt of American Rescue Plan Act monies in the current year, as well as prudent management.

Business-type activities increased the City's net position by \$2,051,535, due primarily to careful management of the City's resources.

City of Pineville

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

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 \$27,318.887 which represents an increase of \$3,250,482 in comparison to the previous balance. This is primarily due to the receipt of ARPA funds, as well as sustained increases in sales tax collections over the past year.
- The City's general fund, which is available for spending at the City's discretion, reported a fund balance of \$11,135,973. The general fund balance increased by \$2,210,835 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 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 include new vehicles necessary to replace existing equipment that was retired as a result of ordinary wear.
- Work was completed on the Pinecrest Drive Improvement Project, as well as various other infrastructure projects throughout the City. In addition, a variety of projects began design or construction during the current year, including the Burns Street Gravity Sewer Main, Cedar Lake Pump Station, and College Drive Rehab Project, among others.

DEBT ADMINISTRATION

The City's borrowing activities included activity related to lease obligations, and to 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, 2023

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 7,449,623	\$ 24,494,012	\$ 31,943,635
Receivables (net)	2,223,285	1,887,889	4,111,174
Restricted asset			
Cash	-	778,289	778,289
Other assets	50,109	-	50,109
Internal balances	18,153,566	(18,153,566)	-
Leased Assets	562,370	826,670	1,389,040
Capital assets			
Non depreciable capital assets	5,107,599	3,356,219	8,463,818
Depreciable capital assets, net	19,541,177	26,627,639	46,168,816
Total assets	<u>53,087,729</u>	<u>39,817,152</u>	<u>92,904,881</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension funding deferrals	7,045,690	554,734	7,600,424
OPEB funding deferrals	2,038,762	391,816	2,430,578
Total deferred outflows	<u>9,084,452</u>	<u>946,550</u>	<u>10,031,002</u>
<u>LIABILITIES</u>			
Accounts and other payables	557,696	468,002	1,025,698
Accrued interest	-	-	-
Accrued interest payable from restricted assets	-	77,276	77,276
Deposits due others	-	458,784	458,784
Other Current Liabilities	-	412	412
Long-term liabilities			
Compensated Absences	771,542	88,015	859,557
Net Other Post Employment Benefits	6,017,018	1,360,600	7,377,618
Net Pension Liability	19,899,763	1,374,876	21,274,639
Lease Obligations			
Due within one year	135,783	298,859	434,642
Due in more than one year	430,005	531,572	961,577
Long-term Debt			
Due within one year	75,477	624,000	699,477
Due in more than one year	270,509	13,667,414	13,937,923
Total liabilities	<u>28,157,793</u>	<u>18,949,810</u>	<u>47,107,603</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension funding deferrals	1,534,525	81,005	1,615,530
OPEB funding deferrals	7,993,838	1,536,281	9,530,119
Total deferred inflows	<u>9,528,363</u>	<u>1,617,286</u>	<u>11,145,649</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	24,302,790	16,316,444	40,619,234
Restricted:			
Debt service	-	77,013	77,013
Capital projects and equipment acquisition	15,516,403	-	15,516,403
Economic Development	529,846	-	529,846
Other purposes	271,939	-	271,939
Unrestricted	(16,134,953)	3,803,149	(12,331,804)
Total net position	<u>\$ 24,486,025</u>	<u>\$ 20,196,606</u>	<u>\$ 44,682,631</u>

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

City of Pineville

STATEMENT OF ACTIVITIES **Year Ended June 30, 2023**

	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
<u>Governmental Activities:</u>					
General Government					
Judicial	\$ 605,807	\$ 174,503	\$ 24,000	\$ -	\$ (407,304)
Executive	306,767	-	-	-	(306,767)
Finance & Administrative	1,682,375	75,290	2,650,191	-	1,043,106
Public Safety					
Police Department	7,487,553	88,011	540,388	-	(6,859,154)
Fire Department	4,996,497	85,636	276,232	-	(4,634,629)
Public Works					
Administration	542,895	33,980	-	-	(508,915)
City Shop	327,118	-	-	-	(327,118)
Street Maintenance	1,573,156	38,061	-	794,466	(740,629)
Drainage Maintenance	593,039	-	-	187,304	(405,735)
Building Maintenance	256,108	65,871	-	-	(190,237)
Beautification	459,256	-	-	-	(459,256)
Health & Welfare (Impounding)	239,202	27,872	-	-	(211,330)
Economic Development	189,854	-	222,535	-	32,681
Culture & Recreation					
Recreation Department	850,434	10,428	9,000	957,798	126,792
Community Services	447,874	-	-	-	(447,874)
Special Events	133,917	31,470	-	-	(102,447)
Interest on Long-Term Debt	22,617	-	-	-	(22,617)
Total Governmental Activities	<u>20,714,469</u>	<u>631,122</u>	<u>3,722,346</u>	<u>1,939,568</u>	<u>(14,421,433)</u>
<u>Business-Type Activities:</u>					
Utility System	6,108,420	8,554,594	-	274,200	2,720,374
Sanitation	2,568,717	2,176,156	-	-	(392,561)
Airport	107,893	4,250	-	-	(103,643)
Total Business-Type Activities	<u>8,785,030</u>	<u>10,735,000</u>	<u>-</u>	<u>274,200</u>	<u>2,224,170</u>
Total	<u>\$ 29,499,499</u>	<u>\$ 11,366,122</u>	<u>\$ 3,722,346</u>	<u>\$ 2,213,768</u>	<u>\$ (12,197,263)</u>

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

City of Pineville

STATEMENT OF ACTIVITIES (Continued) **Year Ended June 30, 2023**

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
Net (Expense) Revenue (Continued)			
From Previous Page)	\$ (14,421,433)	\$ 2,224,170	\$ (12,197,263)
<u>General Revenues:</u>			
Taxes:			
Ad Valorem	1,848,652	-	1,848,652
Sales	16,241,816	-	16,241,816
Licenses & Permits			
Franchise Fees	1,138,369	-	1,138,369
Occupational Licenses	829,906	-	829,906
Other	73,189	-	73,189
Intergovernmental	-	-	-
Other	393,204	86,047	479,251
Transfers	258,682	(258,682)	-
 Total General Revenues, Special Items and Transfers	<u>20,783,818</u>	<u>(172,635)</u>	<u>20,611,183</u>
 Change in Net Position	6,362,385	2,051,535	8,413,920
Net Position - Beginning	<u>18,123,640</u>	<u>18,145,071</u>	<u>36,268,711</u>
 Net Position Ending	<u>\$ 24,486,025</u>	<u>\$ 20,196,606</u>	<u>\$ 44,682,631</u>

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

City of Pineville

Balance Sheet Governmental Funds - June 30, 2023

	General Fund	Dedicated 1% Sales Tax	Capital Improvements	LCDBG	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 1,228,468	\$ -	\$ 3,572,678	\$ 1,846,415	\$ 802,062	\$ 7,449,623
Receivables (net)	1,081,650	502,476	450,050	189,109	-	2,223,285
Interfund Receivables	9,160,190	-	11,598,883	-	262,892	21,021,965
Restricted Cash	-	-	-	-	-	-
Other Assets	50,109	-	-	-	-	50,109
Total assets	\$ 11,520,417	\$ 502,476	\$ 15,621,611	\$ 2,035,524	\$ 1,064,954	\$ 30,744,982
Liabilities and Fund Balance						
Liabilities						
Accounts Payable	\$ 384,444	\$ -	\$ 105,208	\$ 64,662	\$ 3,382	\$ 557,696
Interfund Payables	-	502,476	-	2,106,136	259,787	2,868,399
Total liabilities	384,444	502,476	105,208	2,170,798	263,169	3,426,095
Fund Balance						
Restricted For:						
Capital Improvements	-	-	15,516,403	-	-	15,516,403
Economic Development	-	-	-	-	529,846	529,846
Other Special Purposes	-	-	-	-	271,939	271,939
Unassigned	11,135,973	-	-	(135,274)	-	11,000,699
Total Fund Balances	11,135,973	-	15,516,403	(135,274)	801,785	27,318,887
Total Liabilities and Fund Balance	\$ 11,520,417	\$ 502,476	\$ 15,621,611	\$ 2,035,524	\$ 1,064,954	\$ 30,744,982

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, 2023

Total Fund Balances - Governmental Funds	\$ 27,318,887
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	(27,034,309)
Deferred inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	(9,528,363)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	24,648,776
Lease Obligations not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(565,788)
Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	562,370
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	<u>9,084,452</u>
Net Position of Governmental Activities	<u>\$ 24,486,025</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, 2023

	General Fund	Dedicated 1% Sales Tax	Capital Improvements	LCDBG	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Ad Valorem	\$ 678,143	\$ -	\$ -	\$ -	\$ 1,170,509	\$ 1,848,652
Sales	9,542,582	5,825,430	873,804	-	-	16,241,816
Licenses & Permits:						
Franchise Fees	1,138,369	-	-	-	-	1,138,369
Occupational Licenses	829,906	-	-	-	-	829,906
Other	24,131	-	-	-	-	24,131
Intergovernmental	3,743,707	-	1,139,183	833,911	222,535	5,939,336
Fines and Forfeitures	62,181	-	-	-	-	62,181
Other	648,056	-	20,556	-	65,168	733,780
Total Revenues	16,667,075	5,825,430	2,033,543	833,911	1,458,212	26,818,171
Expenditures:						
Current:						
General Government						
Judicial						
City Court	295,677	-	-	-	-	295,677
City Marshal	375,976	-	-	-	-	375,976
Executive						
Finance & Administrative	336,715	-	1,699	-	-	338,414
Public Safety						
Police Department	1,800,787	-	15,958	1,500	17,950	1,836,195
Fire Department	7,115,007	-	93,523	-	-	7,208,530
Public Works						
Administration	5,265,066	-	103,194	-	-	5,368,260
City Shop	622,469	-	8,474	-	-	630,943
Street Maintenance	270,206	-	2,015	-	-	272,221
Drainage Maintenance	620,296	-	22,796	-	-	643,092
Building Maintenance	467,880	-	13,614	-	-	481,494
Beautification	178,014	-	33,881	-	-	211,895
Health & Welfare	428,728	-	5,322	-	-	434,050
Economic Development	234,408	-	3,895	-	-	238,303
Culture & Recreation	-	-	-	-	189,854	189,854
Recreation Department						
Community Services	672,942	-	-	-	-	672,942
Special Events & Projects	536,696	-	63,835	-	-	600,531
Youth Activities	147,707	-	3,665	-	-	151,372
Capital Expenditures	79,918	-	-	-	-	79,918
Debt Service	-	-	2,744,725	869,508	-	3,614,233
Total Expenditures	19,448,492	-	3,299,067	871,008	207,804	23,826,371
Excess (Deficiency) of Revenues Over Expenditures	(2,781,417)	5,825,430	(1,265,524)	(37,097)	1,250,408	2,991,800

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, 2023**

	General Fund	Dedicated 1% Sales Tax	Capital Improvements	LCDBG	Other Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	(2,781,417)	5,825,430	(1,265,524)	(37,097)	1,250,408	2,991,800
<u>Other Financing Sources (Uses):</u>						
Operating Transfers In	4,992,252	-	2,912,715	-	-	7,904,967
Operating Transfers Out	-	(5,825,430)	(661,664)	-	(1,159,191)	(7,646,285)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	2,210,835	-	985,527	(37,097)	91,217	3,250,482
Fund Balance (Deficit) - Beginning of Year	8,925,138	-	14,530,876	(98,177)	710,568	24,068,405
Fund Balance (Deficit) - End of Year	<u>\$ 11,135,973</u>	<u>\$ -</u>	<u>\$ 15,516,403</u>	<u>\$ (135,274)</u>	<u>\$ 801,785</u>	<u>\$ 27,318,887</u>

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, 2023

Net change in fund balances of Governmental Funds	\$ 3,250,482
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	3,613,433
Depreciation	(1,776,435)
Governmental funds report lease purchases as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as amortization expense. The effect of lease purchases and amortization are presented as follows:	
Amortization	(26,028)
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	137,244
Change in Interest Payable	-
The issuance of lease obligations provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position.	
Repayment of Lease Obligations	22,610
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.	173,556
Changes in total OPEB Liability and deferred inflows and outflows	1,237,117
Changes in net pension liability and deferred inflows and outflows	<u>(269,594)</u>
Change in net position of governmental activities	<u>\$ 6,362,385</u>

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

City of Pineville

Statement of Net Position

Proprietary Funds - June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Utility	Nonmajor		Total
	System	Sanitation	Funds	
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 17,850,796	\$ 6,643,216	\$ -	\$ 24,494,012
Receivables (net)	1,524,567	348,443	14,879	1,887,889
Other	-	-	-	-
Interfund receivables	-	-	308,697	308,697
Total current assets	19,375,363	6,991,659	323,576	26,690,598
Restricted Assets:				
Cash and cash equivalents	778,289	-	-	778,289
Noncurrent Assets:				
Leased Assets	472,389	354,281	-	826,670
Construction in process	3,260,249	-	95,970	3,356,219
Depreciable capital assets, net	24,500,625	460,108	1,666,906	26,627,639
Total assets	48,386,915	7,806,048	2,086,452	58,279,415
DEFERRED OUTFLOWS OF RESOURCES:				
Pension and OPEB funding deferrals	571,295	375,255	-	946,550
LIABILITIES:				
Current Liabilities:				
Accounts and other payables	424,174	42,168	1,660	468,002
Interfund payables	10,173,114	7,925,840	363,309	18,462,263
Compensated absences	56,446	31,569	-	88,015
Deposits due others	458,784	-	-	458,784
Other	412	-	-	412
Current Portion of Lease Obligations	113,859	185,000	-	298,859
Payable From Restricted Assets:				
Accrued interest payable	77,276	-	-	77,276
Current portion of long-term debt	624,000	-	-	624,000
Total current liabilities	11,928,065	8,184,577	364,969	20,477,611
Noncurrent Liabilities:				
Lease Obligations	361,292	170,280	-	531,572
Other Post Employment Benefits	1,074,112	286,488	-	1,360,600
Net Pension Liability	929,726	445,150	-	1,374,876
Long-term debt	13,667,414	-	-	13,667,414
Total liabilities	27,960,609	9,086,495	364,969	37,412,073
DEFERRED INFLOWS OF RESOURCES:				
Pension and OPEB funding deferrals	965,308	651,978	-	1,617,286
NET POSITION:				
Invested in capital assets, net of related debt	14,093,460	460,108	1,762,876	16,316,444
Restricted for debt service	77,013	-	-	77,013
Unrestricted	5,861,820	(2,017,278)	(41,393)	3,803,149
Total net position	\$ 20,032,293	\$ (1,557,170)	\$ 1,721,483	\$ 20,196,606

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, 2023

	Business-Type Activities - Enterprise Funds			
	Utility		Nonmajor	
	System	Sanitation	Funds	Total
<u>Operating Revenues:</u>				
Service Fees	\$ 8,260,798	\$ 2,109,268	\$ 4,250	\$ 10,374,316
Other	293,796	66,888	-	360,684
Total Operating Revenues	8,554,594	2,176,156	4,250	10,735,000
<u>Operating Expenses:</u>				
Salaries	1,050,386	705,668	-	1,756,054
Contract Labor	72,019	126,682	-	198,701
Legal and Professional	63,259	-	-	63,259
Insurance	71,968	76,871	1,841	150,680
Repairs & Maintenance	550,330	284,128	1,928	836,386
Supplies & Chemicals	492,867	100,221	-	593,088
Employee Benefits	464,028	492,386	-	956,414
Landfill Disposal Cost	-	664,262	-	664,262
Utilities	994,799	-	17,347	1,012,146
Permits and Testing	92,790	7,997	-	100,787
Amortization	21,003	15,733	-	36,736
Depreciation	1,321,322	88,863	86,777	1,496,962
Bad Debts	-	-	-	-
Other	499,283	3,767	-	503,050
Total Operating Expenses	5,694,054	2,566,578	107,893	8,368,525
Operating Income (Loss)	2,860,540	(390,422)	(103,643)	2,366,475
<u>Nonoperating Revenues (Expenses):</u>				
Interest Revenue	70,336	15,607	104	86,047
Interest Expense	(414,366)	(2,139)	-	(416,505)
Change in Net Position Before Contributions and Transfers	2,516,510	(376,954)	(103,539)	2,036,017
<u>Contributions and Transfers:</u>				
Capital Contributions	274,200	-	-	274,200
Operating Transfers In	370,800	290,864	-	661,664
Operating Transfers Out	(920,000)	(346)	-	(920,346)
Change in Net Position Before Special Items	2,241,510	(86,436)	(103,539)	2,051,535
Change in Net Position	2,241,510	(86,436)	(103,539)	2,051,535
Total Net Position - Beginning	17,790,783	(1,470,734)	1,825,022	18,145,071
Total Net Position - Ending	\$ 20,032,293	\$ (1,557,170)	\$ 1,721,483	\$ 20,196,606

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

City of Pineville

Statement of Cash Flows

Proprietary Funds - Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Utility	Nonmajor		Total
	System	Sanitation	Funds	
<u>Cash flow from operating activities:</u>				
Cash received from customers	\$ 8,224,406	\$ 2,152,175	\$ 4,250	\$ 10,380,831
Cash payments to suppliers of goods and services	(2,879,583)	(1,716,095)	(22,313)	(4,617,991)
Cash payments to employees for services	(1,023,196)	(691,822)	-	(1,715,018)
Net cash provided (used) by operating activities	<u>4,321,627</u>	<u>(255,742)</u>	<u>(18,063)</u>	<u>4,047,822</u>
<u>Cash flows from non-capital financing activities:</u>				
Change in interfund balances	979,338	2,034,351	17,959	3,031,648
Operating transfers in	370,800	290,864	-	661,664
Operating transfers out	(920,000)	(346)	-	(920,346)
Net cash provided (used) by non-capital financing activities	<u>430,138</u>	<u>2,324,869</u>	<u>17,959</u>	<u>2,772,966</u>
<u>Cash flows from capital and related financing activities:</u>				
Capital expenditures	(3,156,422)	(270,878)	-	(3,427,300)
Proceeds from capital grants	274,200	-	-	274,200
Principle Paid on Lease Obligations	(18,241)	(14,734)	-	(32,975)
Principle paid on revenue bonds	(652,806)	-	-	(652,806)
Interest paid on debt instruments	(414,366)	(2,139)	-	(416,505)
Net cash provided (used) by capital and related financing activities	<u>(3,967,635)</u>	<u>(287,751)</u>	<u>-</u>	<u>(4,255,386)</u>
<u>Cash flows from investing activities:</u>				
Interest and other income	<u>70,336</u>	<u>15,607</u>	<u>104</u>	<u>86,047</u>
Net cash provided (used) by investing activities	<u>70,336</u>	<u>15,607</u>	<u>104</u>	<u>86,047</u>
Net increase (decrease) in cash	854,466	1,796,983	-	2,651,449
Beginning cash balance	<u>17,774,619</u>	<u>4,846,233</u>	<u>-</u>	<u>22,620,852</u>
Ending cash balance	18,629,085	6,643,216	-	25,272,301
Restricted cash and cash equivalents	<u>778,289</u>	<u>-</u>	<u>-</u>	<u>778,289</u>
Cash and cash equivalents	<u>\$ 17,850,796</u>	<u>\$ 6,643,216</u>	<u>\$ -</u>	<u>\$ 24,494,012</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, 2023

	Business-Type Activities - Enterprise Funds			
	Utility	Nonmajor		Total
	System	Sanitation	Funds	
<u>Reconciliation of operating income (loss)</u>				
<u>to net cash provided (used) by operating</u>				
<u>activities</u>				
Operating income (loss)	\$ 2,860,540	\$ (390,422)	\$ (103,643)	\$ 2,366,475
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,321,322	88,863	86,777	1,496,962
Amortization	21,003	15,733	-	36,736
(Increase) decrease in accounts receivable	(336,590)	(23,981)	-	(360,571)
(Increase) decrease in other assets	127,291	-	-	127,291
(Decrease) increase in accounts and other payables	378,708	(33,989)	(1,197)	343,522
(Decrease) increase in compensated absences	27,190	13,846	-	41,036
(Decrease) increase in Other Post Employment Benefits	(26,205)	102,311	-	76,106
Change in net pension liabilities and deferrals	(58,034)	(28,103)	-	(86,137)
(Decrease) increase in meter deposits	6,402	-	-	6,402
Net cash provided (used) by operating activities	<u>\$ 4,321,627</u>	<u>\$ (255,742)</u>	<u>\$ (18,063)</u>	<u>\$ 4,047,822</u>

Supplemental disclosures of cash flow information:

During the year ended June 30, 2023 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, 2023

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, 2023

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 5.

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.

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.

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:

<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.

City of Pineville

Notes to Financial Statements

June 30, 2023

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 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

City of Pineville

Notes to Financial Statements

June 30, 2023

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, 2023 are summarized as follows:

	Governmental Activities	Business-Type Activities	Total
<u>Accounts Receivable</u>			
Charges for Services	\$ ----	\$ 3,673,577	\$ 3,673,577
Franchise Taxes	115,823	----	115,823
Other	----	----	----
<u>Total Accounts Receivable</u>	<u>115,823</u>	<u>3,673,577</u>	<u>3,789,400</u>
<u>Due From Other Governmental Units</u>			
Sales Tax	1,402,651	----	1,402,651
Occupational Licenses	60,888	----	60,888
Other	80,435	----	80,435
Grant Reimbursements	563,488	259,312	822,800
<u>Total Due From Other Governments</u>	<u>2,107,462</u>	<u>259,312</u>	<u>2,366,774</u>
Total Receivables	2,223,285	3,932,889	6,156,174
Allowance for Doubtful Accounts	----	(2,045,000)	(2,045,000)
<u>Receivables (Net)</u>	<u>\$ 2,223,285</u>	<u>\$ 1,887,889</u>	<u>\$ 4,111,174</u>

City of Pineville

Notes to Financial Statements

June 30, 2023

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 2023, cash and cash equivalents included the following amounts:

Deposits in Financial Institutions

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash Deposited in Banks	\$ 7,449,013	\$ 12,219,097	\$ 19,668,110
Petty Cash	610	1,500	2,110
Cash Equivalents	----	13,051,704	13,051,704
Total Cash	7,449,623	25,272,301	32,721,924
Restricted Cash	----	778,289	778,289
Cash and Cash Equivalents	\$ 7,449,623	\$ 24,494,012	\$ 31,943,635

Cash deposited in banks is stated at cost, which approximates market. At June 30, 2023, the City had \$19,668,110 in deposits (\$19,976,941 collected bank balance). These deposits are secured from risk by \$250,000 of federal deposit insurance, \$35,296,479 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Cash Equivalents

Cash Equivalents consist entirely of amounts invested in the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. Generally accepted accounting principles require disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments. LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 56 days as of June 30, 2023.
- Foreign currency risk: Not applicable.

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 period ranging from three to five years. The value of the leased vehicles has been determined as follows:

City of Pineville

Notes to Financial Statements

June 30, 2023

	Governmental Activities	Business-Type Activities
Leased Vehicles and Equipment	\$ 588,398	\$ 863,406
Accumulated Amortization	(26,028)	(36,736)
Leased Assets	\$ 562,370	\$ 826,670

The lease obligations at year end are summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Lease Obligations	\$ ----	\$ 588,398	\$ 22,610	\$ 565,788
<u>Business-Type Activities</u>				
Lease Obligations	----	863,406	32,975	830,431
Total Lease Obligations	\$ ----	\$ 1,451,804	\$ 55,585	\$ 1,396,219

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

<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>
2024	105,856	29,927	257,613	41,245
2025	112,139	23,644	258,215	25,954
2026	118,795	16,988	107,221	15,373
2027	125,847	9,937	113,585	9,010
2028	103,151	2,601	93,797	2,381
Total Payments	\$ 565,788	\$ 83,097	\$ 830,431	\$ 96,963

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:

City of Pineville

Notes to Financial Statements

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Installment Purchase Agreement	\$ 345,986	\$ ----	\$ 345,986
Revenue Bonds	----	13,379,009	13,379,009
Total Debt Issuances	345,986	13,379,009	13,724,995
Bond Premium	----	1,152,735	1,152,735
Deferred Issue Cost	----	(240,330)	(240,330)
Total Long-term Debt	345,986	14,291,414	14,637,400
Due Within One Year	75,477	624,000	699,477
Due in More Than One Year	\$ 270,509	\$ 13,667,414	\$ 13,937,923

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental Activities</u>				
Certificates of Indebtedness	\$ ----	\$ ----	\$ ----	\$ ----
Installment Purchase Agreements	483,230	----	137,244	345,986
Total Governmental Activities	483,230	----	137,244	345,986
<u>Business-Type Activities</u>				
Revenue Bonds	13,984,009	----	605,000	13,379,009
Total Business-Type Activities	13,984,009	----	605,000	13,379,009
Total Long-term Debts	\$ 14,467,239	\$ ----	\$ 742,244	\$ 13,724,995

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:

\$785,246 Installment Purchase Agreement payable in 10 yearly installments of \$93,254 including interest based on a rate of 3.25%, with the final installment due in August 16, 2027.	\$ 345,986
Total Installment Agreements	\$ 345,986

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, 2023 are described as follows:

\$2,610,000 Utility Revenue Bonds Series 2019, bearing interest at 2.10%. The bonds mature serially on May 1st 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.

\$ 1,219,000

City of Pineville

Notes to Financial Statements

June 30, 2023

\$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 1st 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.

2,160,009

\$10,000,000 Utility Revenue Bonds Series 2022, bearing interest at 4.00%. The bonds mature serially on May 1st 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

Total Revenue Bonds

\$ 13,379,009

Maturity of Long-term Debt

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

<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>
2024	75,477	10,006	624,000	453,994
2025	85,144	8,111	631,000	443,887
2026	88,172	5,082	649,000	433,580
2027	91,308	1,946	480,000	422,917
2028	5,885	17	495,000	402,133
2029 - 2033	----	----	2,395,009	1,817,608
2034 - 2038	----	----	1,710,000	1,489,600
2039 - 2043	----	----	2,085,000	1,118,800
2044 - 2048	----	----	3,105,000	667,200
2049 - 2053	----	----	1,205,000	143,800
Total Payments	\$ 345,986	\$ 25,162	\$ 13,379,009	\$ 7,393,517

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, 2023, the City has levied ad valorem taxes as follows:

City of Pineville

Notes to Financial Statements

June 30, 2023

<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, 2023 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%
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.	1%
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.	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:

City of Pineville

Notes to Financial Statements

June 30, 2023

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Non-Depreciable Capital Assets				
Land	\$ 2,509,518	\$ 311,191	\$ ----	\$ 2,820,709
Construction in Process	525,260	2,316,076	(554,446)	2,286,890
Total	<u>3,034,778</u>	<u>2,627,267</u>	<u>(554,446)</u>	<u>5,107,599</u>
Depreciable Capital Assets				
Buildings and Improvements	7,043,715	579,564	----	7,623,279
Furniture, Fixtures and Equipment	9,464,595	407,401	----	9,871,996
Infrastructure	28,594,886	553,647	----	29,148,533
Accumulated Depreciation	(25,326,196)	(1,776,435)	----	(27,102,631)
Total	<u>19,777,000</u>	<u>(235,823)</u>	<u>----</u>	<u>19,541,177</u>
Total Governmental Activities	<u>\$ 22,811,778</u>	<u>\$ 2,391,444</u>	<u>\$ (554,446)</u>	<u>\$ 24,648,776</u>
<u>Business-Type Activities</u>				
Non Depreciable Capital Assets				
Airport Construction in Process	\$ 95,971	\$ ----	\$ ----	\$ 95,971
Utility Construction in Process	433,475	3,110,620	(283,848)	3,260,247
Total Construction in Process	<u>529,446</u>	<u>3,110,620</u>	<u>(283,848)</u>	<u>3,356,218</u>
Depreciable Capital Assets				
Sanitation Equipment	1,588,962	270,878	----	1,859,840
Utility Equipment	1,223,834	45,801	----	1,269,635
Utility System	52,944,075	283,848	----	53,227,922
Airport Improvements	2,980,443	----	----	2,980,443
Accumulated Depreciation	(31,213,241)	(1,496,962)	----	(32,710,201)
Total	<u>27,524,074</u>	<u>(896,435)</u>	<u>----</u>	<u>26,627,639</u>
Total Business-Type Activities	<u>\$ 28,053,520</u>	<u>2,214,185</u>	<u>(283,848)</u>	<u>\$ 29,983,858</u>

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

City of Pineville

Notes to Financial Statements

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Judicial	\$ 4,585	\$ ----	\$ 4,585
Finance & Administrative	14,418	----	14,418
Police Department	253,843	----	253,843
Fire Department	201,124	----	201,124
Public Works Administration	634	----	634
City Shop	7,714	----	7,714
Street Maintenance	937,934	----	937,934
Drainage Maintenance	119,873	----	119,873
Building Maintenance	34,817	----	34,817
Health & Welfare (Impounding)	6,032	----	6,032
Recreation Department	153,695	----	153,695
Community Services	13,313	----	13,313
Beautification	28,166	----	28,166
Special Events	287	----	287
Utility System	----	1,321,322	1,321,322
Sanitation	----	88,863	88,863
Airport	----	86,777	86,777
Total Depreciation Expense	<u>\$ 1,776,435</u>	<u>\$ 1,496,962</u>	<u>\$ 3,273,397</u>

NOTE 8 – ACCOUNTS AND OTHER PAYABLES

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

	Governmental Activities			Total
	General Fund	Capital Improve- ments	Other	
Payable to Vendors	\$ 40,410	\$ 105,208	\$ 68,044	\$ 213,662
Construction Contract Retainage	----	----	----	----
Accrued Wages	344,034	----	----	344,034
Total	<u>\$ 384,444</u>	<u>\$ 105,208</u>	<u>\$ 68,044</u>	<u>\$ 557,696</u>
	Business-Type Activities			Total
	Utility System	Sanitation	Other	
Payable to Vendors	\$ 382,598	\$ 11,380	\$ 1,660	\$ 395,638
Construction Contract Retainage	----	----	----	----
Accrued Wages	41,576	30,788	----	72,364
Total	<u>\$ 424,174</u>	<u>\$ 42,168</u>	<u>\$ 1,660</u>	<u>\$ 468,002</u>

City of Pineville

Notes to Financial Statements

June 30, 2023

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:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 4,259,590	\$ 1,446,302	\$ 211,197
Firefighters' Retirement System of Louisiana	5,891,898	2,600,946	1,140,770
Municipal Police Employees' Retirement System of Louisiana	<u>11,123,152</u>	<u>3,553,173</u>	<u>263,563</u>
Total	21,274,640	7,600,422	1,615,530
Portion Applicable to Business Type Activities	<u>1,374,876</u>	<u>554,734</u>	<u>81,005</u>
Portion Applicable to Government Type Activities	<u>\$ 19,899,764</u>	<u>\$ 7,045,688</u>	<u>\$ 1,534,525</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

City of Pineville

Notes to Financial Statements

June 30, 2023

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, 2022 (measurement date and actuarial valuation date) and details are provided as follows:

Net Pension Liability	\$ 87,798,349
City's Proportionate Share (Percentage)	4.85 %
City's Proportionate Share (Amount)	<u>\$ 4,259,590</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, 2022 are provided as follows:

Beginning Net Pension Liability	\$ 2,901,968
Employer Contributions	(605,964)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	555,698
Changes in Benefit Terms	----
Employee Contributions	<u>(140,984)</u>
Change in Deferred Outflows of Resources	697,014
Change in Deferred Inflows of Resources	<u>851,858</u>
Ending Net Pension Liability	<u>\$ 4,259,590</u>

There were no changes between June 30, 2023 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:

City of Pineville

Notes to Financial Statements

June 30, 2023

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences Between Expected and Actual Experience	\$ ----	\$ 54,201	\$ (54,201)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	783,376	----	783,376
Changes of Assumptions	45,550	----	45,550
Changes in Proportion	----	156,996	(156,996)
Employer Contributions Made After the Measurement Date	617,376	----	617,376
Total Deferrals	1,446,302	211,197	1,235,105
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	617,376	----	617,376
Deferrals Subject to Amortization	<u>\$ 828,926</u>	<u>\$ 211,197</u>	<u>\$ 617,729</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, 2023	\$ 67,643
June 30, 2024	114,274
June 30, 2025	84,453
June 30, 2026	351,359
Total	<u>\$ 617,729</u>

Valuation Date	June 30, 2022
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 4 years of service – 7.4% More than 4 years of service – 4.9%
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

City of Pineville

Notes to Financial Statements

June 30, 2023

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.

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, 2022 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	53%	2.31%
Public Fixed Income	38%	1.65%
Alternatives	9%	0.39%
Totals	<u>100%</u>	<u>4.35%</u>
Inflation		<u>2.60%</u>
Expected Arithmetic Nominal Return		<u>6.95%</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:

	1% Decrease 5.85% Discount Rate	Current Discount Rate 6.85%	1% Increase 7.85% Discount
Net Pension Liability	\$ 5,806,631	\$ 4,259,590	\$ 2,951,161

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 3¹/₃ 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

City of Pineville

Notes to Financial Statements

June 30, 2023

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, 2022 (measurement date and actuarial valuation date) and details are provided as follows:

Net Pension Liability	\$ 705,129,222
City's Proportionate Share (Percentage)	0.84%
City's Proportionate Share (Amount)	<u>\$ 5,891,898</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, 2022 are provided as follows:

Beginning Net Pension Liability		\$ 3,143,102
Employer Contributions		(728,272)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	703,391	
Changes in Benefit Terms	----	
Employee Contributions	<u>(237,852)</u>	465,539
Change in Deferred Outflows of Resources		1,129,772
Change in Deferred Inflows of Resources		<u>1,881,757</u>
Ending Net Pension Liability		<u>\$ 5,891,898</u>

There were no changes between June 30, 2023 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	\$ 35,215	\$ 277,712	\$ (242,497)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	1,334,669	----	1,334,669
Changes of Assumptions	485,830	----	485,830
Changes in Proportion	----	863,058	(863,058)
Employer Contributions Made After the Measurement Date	<u>745,232</u>	----	<u>745,232</u>
Total Deferrals	2,600,946	1,140,770	1,460,176
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>745,232</u>	----	<u>745,232</u>
Deferrals Subject to Amortization	<u>\$ 1,855,714</u>	<u>\$ 1,140,770</u>	<u>\$ 714,944</u>

City of Pineville

Notes to Financial Statements

June 30, 2023

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, 2023	\$ 171,161
June 30, 2024	107,147
June 30, 2025	(10,859)
June 30, 2026	575,040
June 30, 2027	(73,663)
Thereafter	<u>(53,882)</u>
Total	<u>\$ 714,944</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, 2022
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	7 Years
Investment Rate of Return	6.90% per annum
Inflation Rate	2.50% per annum
Projected Salary Increases	Vary from 14.10% in the first two years of service to 5.20% after 25 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 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Expected Portfolio Real Rate of Return</u>
U.S. Equity	27.50%	5.64%
Non-U.S. Equity	11.50%	5.89%
Global Equity	10.00%	5.99%
Emerging Market Equity	7.00%	7.75%
Fixed Income	26.00%	0.51 – 2.99%
Real Estate	6.00%	4.57%
Real Assets	3.00%	4.89%
Private Equity	9.00%	8.99%
Totals	<u>100.00%</u>	

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.

City of Pineville

Notes to Financial Statements

June 30, 2023

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:

	<u>1% Decrease 5.90%</u> <u>Discount Rate</u>	<u>Current Discount</u> <u>Rate 6.90%</u>	<u>1% Increase</u> <u>7.90% Discount</u>
Net Pension Liability	\$ 8,716,408	\$ 5,891,898	\$ 3,536,056

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 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, 2022 (measurement date and actuarial valuation date) and details are provided as follows:

Net Pension Liability	\$ 1,022,177,525
City's Proportionate Share (Percentage)	1.09%
City's Proportionate Share (Amount)	<u>\$ 11,123,152</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, 2022 are provided as follows:

City of Pineville

Notes to Financial Statements

June 30, 2023

Beginning Net Pension Liability		\$ 5,711,852
Employer Contributions		(1,000,805)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	1,901,794	
Changes in Benefit Terms	----	
Employee Contributions	(242,068)	1,659,726
Change in Deferred Outflows of Resources		1,835,472
Change in Deferred Inflows of Resources		<u>2,916,907</u>
Ending Net Pension Liability		<u>\$ 11,123,152</u>

There were no changes between June 30, 2023 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	\$ 54,859	\$ 90,657	\$ (35,798)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	1,985,833	----	1,985,833
Changes of Assumptions	383,687	82,733	300,954
Changes in Proportion	144,797	90,173	54,624
Employer Contributions Made After the Measurement Date	983,997	----	983,997
Total Deferrals	3,553,173	263,563	3,289,610
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	983,997	----	983,997
Deferrals Subject to Amortization	<u>\$ 2,569,176</u>	<u>\$ 263,563</u>	<u>\$ 2,305,613</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, 2023	\$ 576,424
June 30, 2024	529,309
June 30, 2025	158,230
June 30, 2026	<u>1,041,650</u>
Total	<u>2,305,613</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, 2022
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	6.750% per annum

City of Pineville

Notes to Financial Statements

June 30, 2023

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%

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, 2022 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	55.50%	3.60%
Fixed Income	30.50%	0.85%
Alternatives	14.00%	0.95%
Other	0.00%	0.00%
Totals	<u>100.00%</u>	<u>5.40%</u>
Inflation		<u>2.66%</u>
Expected Arithmetic Nominal Return		<u>8.06%</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:

	<u>1% Decrease 5.75% Discount Rate</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75% Discount Rate</u>
Net Pension Liability	\$ 15,570,282	\$ 11,123,152	\$ 7,408,325

NOTE 12 – INTERNAL BALANCES

Details related to internal balances are presented as follows:

City of Pineville

Notes to Financial Statements

June 30, 2023

<u>Governmental Activities</u>	<u>Receivable (Payable)</u>	<u>Purpose</u>
General	\$ 9,160,190	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.
Capital Improvements	11,598,883	
LCDBG Fund	(2,106,136)	
1% Dedicated Sales Tax	(502,476)	
Non-major Governmental Funds	3,105	
	<u>\$ 18,153,566</u>	

<u>Business-Type Activities</u>	<u>Receivable (Payable)</u>	<u>Purpose</u>
Utility	(10,173,114)	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	(7,925,840)	
Non-major	(54,612)	
	<u>(18,153,566)</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>Other</u>	
<u>Transfers In</u>					
Transfers of resources from restricted funds to reimburse other funds for expenditures satisfying the restrictions.	\$ 4,071,906	\$ ----	\$ 2,912,715	\$ ----	\$ 6,984,621
Transfer excess utility revenues to the general fund.	920,346	----	----	----	920,346
Total Transfers In	<u>4,992,252</u>	<u>----</u>	<u>2,912,715</u>	<u>----</u>	<u>7,904,967</u>
<u>Transfers Out</u>					
Transfers of resources from restricted funds to reimburse other funds for expenditures satisfying the restrictions.	----	5,825,430	661,664	1,159,191	7,646,285
Net Transfers	<u>\$ 4,992,252</u>	<u>\$ (5,825,430)</u>	<u>\$ 2,251,051</u>	<u>\$ (1,159,191)</u>	<u>\$ 258,682</u>

	<u>Business-Type Activities</u>			<u>Total</u>
	<u>Utility System</u>	<u>Sanitation</u>	<u>Other</u>	
<u>Transfers In</u>				

City of Pineville

Notes to Financial Statements

June 30, 2023

	Business-Type Activities			Total
	Utility System	Sanitation	Other	
Transfers of resources from restricted funds to reimburse other funds for expenditures satisfying the restrictions.	\$ 370,800	\$ 290,864	\$ ----	\$ 661,664
<u>Transfers Out</u>				
Transfer excess utility revenues to the general fund.	920,000	346	----	920,346
Net Transfers	<u>\$ (549,200)</u>	<u>\$ 290,518</u>	<u>\$ ----</u>	<u>\$ (258,682)</u>

NOTE 14 – CONTINGENCIES:

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at June 30, 2023 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; however, exposure to losses are expected to be limited to the deductible provisions of insurance policies. Further information on some of the ongoing lawsuits is listed below:

On July 27, 2020, the City was named as a defendant in a lawsuit against the Pineville Firefighter’s Local 1384 (Local 1384), an unincorporated labor organization whose members are comprised of current and former members of the City of Pineville Fire Department. The issue at stake arose because of a 2015 IRS audit of the City of Pineville, which resulted in a settlement by the City, which included a payment to the Department of the Treasury, and required the City to begin withholding contributions for Social Security from the City’s Fire Department employees. The suit alleges that the firefighters had an informal employment contract with the City, which was summarily violated by withholding Social Security payments from the members of the Fire Department. The City disagrees, believing that there is no employment contract.

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

City of Pineville

Notes to Financial Statements

June 30, 2023

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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	41
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>190</u>
	<u>231</u>

Total OPEB Liability

The City's total OPEB liability of \$7,377,618 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2023 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%
Prior Discount rate	3.54%
Discount Rate	3.65% annually
Healthcare cost trend rates	5.5% annually until year 2032, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2023, the end of the applicable measurement period. The actuarial assumptions used in the June 30, 2023 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

Changes in Total OPEB Liability

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Balances at June 30, 2022	\$ 5,650,743	\$ 1,290,210	\$ 6,940,953
Changes for the year:			
Service Cost	151,532	29,121	180,653
Interest	208,783	40,124	248,907
Differences between expected and actual experience	289,148	55,569	344,717
Changes in Assumptions	(62,091)	(11,933)	(74,024)
Benefit payments and net transfers	(221,097)	(42,491)	(263,588)
Net Changes	<u>366,275</u>	<u>70,390</u>	<u>436,665</u>
Balance at June 30, 2023	<u>\$ 6,017,018</u>	<u>\$ 1,360,600</u>	<u>\$ 7,377,618</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

City of Pineville

Notes to Financial Statements

June 30, 2023

	1.0% Decrease (2.65%)	Current Discount Rate (3.65%)	1.0% Increase (4.65%)
Total OPEB liability	\$ 8,136,371	\$ 7,377,618	\$ 6,714,099

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	\$ 6,678,901	\$ 7,377,618	\$ 8,183,740

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$(897,422). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 863,875	\$ (6,839,188)
Changes in assumptions	1,566,703	(2,690,931)
Total	<u>\$ 2,430,578</u>	<u>\$ (9,530,119)</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, 2024	\$ (1,326,984)
June 30, 2025	(1,326,984)
June 30, 2026	(1,326,984)
June 30, 2027	(1,326,984)
June 30, 2028	(1,326,984)
Thereafter	<u>(464,621)</u>
Total	<u>\$ (7,099,541)</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	\$ 381,001
Fire Department	276,232
Judicial Department	24,000
Total	<u>\$ 681,233</u>

City of Pineville

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Taxes:				
Ad Valorem	\$ 600,000	\$ 678,200	\$ 678,143	\$ (57)
Sales	8,400,000	9,485,000	9,542,582	57,582
Licenses & Permits:				
Franchise Fees	970,000	1,134,700	1,138,369	3,669
Occupational Licenses	739,000	906,750	829,906	(76,844)
Other	23,500	23,915	24,131	216
Intergovernmental	3,834,100	3,753,700	3,743,707	(9,993)
Fines and Forfeitures	225,600	234,200	62,181	(172,019)
Other	210,300	233,765	648,056	414,291
Total revenues	<u>15,002,500</u>	<u>16,450,230</u>	<u>16,667,075</u>	<u>216,845</u>
<u>General Government:</u>				
Current:				
General Government				
Judicial				
City Court	264,400	293,930	295,677	(1,747)
City Marshal	348,200	369,800	375,976	(6,176)
Executive	331,800	337,320	336,715	605
Finance & Administrative	3,860,800	3,666,453	1,800,787	1,865,666
Public Safety				
Police Department	7,215,700	7,233,580	7,115,007	118,573
Fire Department	5,579,500	5,334,580	5,265,066	69,514
Public Works				
Administration	520,400	619,215	622,469	(3,254)
City Shop	248,600	267,900	270,206	(2,306)
Street Maintenance	522,500	611,140	620,296	(9,156)
Drainage Maintenance	431,500	458,650	467,880	(9,230)
Building Maintenance	166,000	175,050	178,014	(2,964)
Beautification	348,000	420,390	428,728	(8,338)
Health & Welfare (Impounding)	140,700	232,447	234,408	(1,961)
Economic Development	-	-	-	-
Culture & Recreation				
Recreation Department	1,158,400	1,256,395	672,942	583,453
Community Services	-	-	536,696	(536,696)
Special Events	166,000	147,580	147,707	(127)
Youth Activities	-	-	79,918	(79,918)
Debt Service	-	-	-	-
Total expenditures	<u>21,302,500</u>	<u>21,424,430</u>	<u>19,448,492</u>	<u>1,975,938</u>

City of Pineville

General Fund

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

Budget and Actual - Year Ended June 30, 2023

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Excess (Deficiency) of				
Revenues Over Expenditures	(6,300,000)	(4,974,200)	(2,781,417)	2,192,783
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	6,300,000	4,974,200	4,992,252	18,052
Operating Transfers Out	-	-	-	-
Excess (Deficiency) of				
Revenues and Other Sources				
Over Expenditures and Other				
Uses	-	-	2,210,835	2,210,835
Fund Balance (Deficit) -				
Beginning of Year	<u>8,925,138</u>	<u>8,925,138</u>	<u>8,925,138</u>	<u>-</u>
Fund Balance (Deficit) -				
End of Year	<u>\$ 8,925,138</u>	<u>\$ 8,925,138</u>	<u>\$ 11,135,973</u>	<u>\$ 2,210,835</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, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Sales Taxes	\$ 5,100,000	\$ 5,790,000	\$ 5,825,430	\$ 35,430
Other	-	-	-	-
Total revenues	<u>5,100,000</u>	<u>5,790,000</u>	<u>5,825,430</u>	<u>35,430</u>
<u>General Government:</u>				
Current	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of				
Revenues Over Expenditures	5,100,000	5,790,000	5,825,430	35,430
<u>Other Financing Sources (Uses):</u>				
Operating Transfers Out	<u>(5,100,000)</u>	<u>(5,790,000)</u>	<u>(5,825,430)</u>	<u>(35,430)</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

Schedule of Changes in Net OPEB Liability **Retiree Healthcare Plan**

	For the Year June 30th					
	2018	2019	2020	2021	2022	2023
<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
Service Cost	421,237	384,789	404,035	538,635	554,674	180,654
Interest	575,529	593,258	515,200	316,967	344,381	248,907
Differences Between expected and Actual Experience	771,219	(1,911,362)	(2,646,993)	922,576	(6,347,021)	344,717
Changes in Assumptions	(700,146)	715,866	1,665,068	218,156	(3,027,471)	(74,024)
Benefit Payments	<u>(380,889)</u>	<u>(401,838)</u>	<u>(382,181)</u>	<u>(403,201)</u>	<u>(249,846)</u>	<u>(263,588)</u>
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>Fiduciary Net Position</u>						
Beginning Balance	-	-	-	-	-	-
Employer Contributions	380,889	401,838	382,181	403,201	249,846	263,588
Benefit Payments	<u>(380,889)</u>	<u>(401,838)</u>	<u>(382,181)</u>	<u>(403,201)</u>	<u>(249,846)</u>	<u>(263,588)</u>
Ending Balance	<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>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	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
Net OPEB Liability as a Percentage of Covered Payroll	198.47%	184.81%	167.58%	181.11%	93.67%	96.67%
Notes to Schedule:						
Benefit Change:	None	None	None	None	None	None
Changes of Assumptions						
Discount Rate:	3.87%	3.50%	2.21%	2.16%	3.54%	3.65%
Mortality:	RP-2000	RP-2000	RP-2014	RP-2014	RP-2014	RP-2014
Trend:	5.50%	5.50%	Variable	Variable	Variable	Variable

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, 2014	5.13%	2,408,581	3,213,600	74.9%	76.9%
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%
Firefighters's Retirement System					
June 30, 2014	1.17%	5,227,669	2,320,595	225.3%	76.0%
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%
Municipal Police Employees' Retirement System					
June 30, 2014	0.99%	6,192,420	2,726,632	227.1%	75.1%
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%

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	Contributions	Difference	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
	Required Employer Contributions	Recognized By the Pension Plan	Between Required and Recognized Contributions		
Municipal Employees' Retirement System					
June 30, 2014	305,292	314,657	(9,365)	3,213,600	9.79%
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%
Firefighters's Retirement System					
June 30, 2014	678,774	686,645	(7,871)	2,320,595	29.59%
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%
Municipal Police Employees' Retirement System					
June 30, 2014	814,226	845,256	(31,030)	2,726,632	31.00%
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%

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, 2023

	Economic Development		Dedicated 10	Cemetery Fund	Court Witness Fees	Asset Forfeiture	Total Non Major Funds
	Hotel	Utility	Mill Ad				
	Motel Tax	Franchise	Valorem Tax				
Assets							
Cash and Cash Equivalents	\$ 714,740	\$ -	\$ 11,432	\$ 70,152	\$ -	\$ 5,738	\$ 802,062
Receivables (net)	-	-	-	-	-	-	-
Interfund Receivables	-	67,652	80,522	-	65,645	49,073	262,892
Restricted cash	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-
Total assets	\$ 714,740	\$ 67,652	\$ 91,954	\$ 70,152	\$ 65,645	\$ 54,811	\$ 1,064,954
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ 1,391	\$ -	\$ 1,991	\$ -	\$ -	\$ -	3,382
Interfund Payables	251,155	-	-	8,632	-	-	259,787
Total liabilities	252,546	-	1,991	8,632	-	-	263,169
Fund Balance							
Restricted For:							
Economic Development	462,194	67,652	-	-	-	-	529,846
Other Special Purposes	-	-	89,963	61,520	65,645	54,811	271,939
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	462,194	67,652	89,963	61,520	65,645	54,811	801,785
Total Liabilities and Fund Balance	\$ 714,740	\$ 67,652	\$ 91,954	\$ 70,152	\$ 65,645	\$ 54,811	\$ 1,064,954

City of Pineville

Combining Statement of Revenues, Expenditures and Changes in Fund Balance **Non Major Governmental Funds - Year Ended June 30, 2023**

	Economic Development		Dedicated 10	Cemetery Fund	Court Witness Fees	Asset Forfeiture	Total Non Major Funds
	Hotel	Utility	Mill Ad				
	Motel Tax	Franchise	Valorem Tax				
<u>Revenues:</u>							
Ad Valorem Taxes	\$ -	\$ -	\$ 1,170,509	\$ -	\$ -	\$ -	\$ 1,170,509
Intergovernmental	222,535	-	-	-	-	-	222,535
Licenses & Permits:							
Franchise Fees	-	-	-	-	-	-	-
Other	27,825	-	22,967	605	7,789	5,982	65,168
Total Revenues	250,360	-	1,193,476	605	7,789	5,982	1,458,212
<u>Expenditures:</u>							
Current:							
Economic Development	189,854	-	-	-	-	-	189,854
City Court	-	-	-	-	-	-	-
Street Maintenance	-	-	-	-	-	-	-
Health & Welfare	-	-	-	-	-	-	-
Administrative Expenditures	-	-	17,512	395	-	43	17,950
Capital Expenditures	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Total Expenditures	189,854	-	17,512	395	-	43	207,804
Excess (Deficiency) of							
Revenues Over Expenditures	60,506	-	1,175,964	210	7,789	5,939	1,250,408
<u>Other Financing Sources (Uses):</u>							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	-	(1,159,191)	-	-	-	(1,159,191)
Excess (Deficiency) of							
Revenues and Other Sources							
Over Expenditures and Other							
Uses	60,506	-	16,773	210	7,789	5,939	91,217
<u>Fund Balance (Deficit)</u>							
Beginning of Year	401,688	67,652	73,190	61,310	57,856	48,872	710,568
End of Year	\$ 462,194	\$ 67,652	\$ 89,963	\$ 61,520	\$ 65,645	\$ 54,811	\$ 801,785

City of Pineville

Schedule of Expenditures of Federal Awards For the year ended June 30, 2023

<u>Federal Grantor / Pass-through Grantor / Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
Department of Transportation		
Passed Through Louisiana Department of Transportation and Development Surface Transportation Discretionary Grants for Capital Investment	20.205	<u>544,466</u>
Passed Through Louisiana Highway Safety Commission National Priority Safety Programs	20.616	<u>38,889</u>
Total Highway Safety Cluster		<u>38,889</u>
Total Department of Transportation		<u>583,355</u>
Department of Justice		
Passed Through Louisiana Commission on Law Enforcement Crime Victim Assistance	16.575	<u>32,018</u>
Edward Byrne Memorial Justice Grant Program	16.738	<u>5,709</u>
Total Department of Justice		<u>37,727</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>187,202</u>
"COVID-19" - Community Development Block Grant-CV	14.228	<u>646,607</u>
Total Department of Housing and Urban Development		<u>833,809</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>9,000</u>
Total Department of Homeland Security (DHS)		<u>9,000</u>
Department of the Treasury		
"COVID-19" - Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>2,615,782</u>
"COVID-19" - Coronavirus State and Local Fiscal Recovery Funds - Water Sector	21.027	<u>174,200</u>
Total Department of the Treasury		<u>2,789,982</u>
Total Expenditure of Federal Awards		<u>\$ 4,253,873</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, 2023

Rich Dupree	102,545
Mary Galloway	12,000
Kevin Dorn	12,000
Nathan Martin	12,000
Tom Bouchie	12,000
Christy Frederic	<u>12,000</u>
Total Compensation	<u><u>\$ 162,545</u></u>

CITY OF PINEVILLE

***Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2023***

Agency Head (Mayor) - Rich Dupree

Purpose:

Compensation \$ 102,545

Benefits

Health Insurance 10,905

Life Insurance 54

Payroll Taxes 6,939

Retirement 14,718

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, 2023

	First Six Month Period Ended December 31, 2022	Second Six Month Period Ended June 30, 2023
Receipts From:		
Pineville City Prosecutor - Criminal Court Costs/Fees	30,835	39,396
Pineville City Court Fine Fees - Criminal Court Costs/Fees	<u>51,290</u>	<u>49,361</u>
Subtotal Receipts	<u><u>82,125</u></u>	<u><u>88,757</u></u>
Ending Balance of Amounts Assessed but Not Received	-	-



December 27, 2023

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, 2023, 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 27, 2023.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be significant deficiencies.

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*.

**1407 Peterman Drive • Alexandria, Louisiana 71301
www.CenlaCPAs.com • Voice 318.442.1608 • Fax 318.487.2027**

RESPONSE TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the City of Pineville's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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



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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City 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

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 27, 2023

CITY OF PINEVILLE

Summary of Findings and Questioned Cost

June 30, 2023

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, 2023 and for the year then ended expressed an unmodified opinion.
- No material weaknesses in internal control were reported in connection with the audit.
- One significant deficiency(ies) that is not considered to be a material weakness was identified (2023-001).
- 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, 2023 are presented as follows:

Department of the Treasury

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

Department of Housing and Urban Development

Assistance Listing No. 14.228 – Community Development Block Grant

- 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 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:

FINDING 2023-001: UTILITY BILLING

- *Criteria:* According to the Legislative Auditor's Best Practices, Accounting Responsibilities should be segregated, as practical, so that no single individual controls all facets of a financial function.
- *Condition:* The City of Pineville's system for utility billings did not involve a review process of some manually calculated bills, which enabled a single clerk to make a billing error that persisted over an extended period of time.
- *Effect:* The City overbilled one commercial customer for an extended period of time, causing a substantial refund to be issued in the current year.

CITY OF PINEVILLE

Summary of Findings and Questioned Cost

June 30, 2023

- Cause: The City's utility billing clerk did not have a clear understanding of utility billing practices, which caused the miscalculation of the customer's charges.

- Recommendation: We recommend that the City adopt changes to its utility billing system so that manually calculated bills are reviewed by a member of management with the skills, knowledge, and experience to review these items.

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, 2023

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>FINDINGS</u>	<u>RESPONSE</u>
<u>2023-001: UTILITY BILLING</u> The City of Pineville's system for utility billings did not involve a review process of some manually calculated bills, which enabled a single clerk to make a billing error that persisted over an extended period of time.	<u>2023-001: Response</u> The City has replaced the clerk responsible for the billing errors, and adopted new policies that include a review of each manually calculated bill.
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>
No Findings of this nature.	No response necessary

CITY OF PINEVILLE

Summary of Prior Year Findings and Questioned Response

June 30, 2023

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

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 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, 2022 through June 30, 2023. 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 27, 2023



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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 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</p>	<p>The Entity's board met with a quorum at least monthly.</p> <p>The minutes references or included monthly budget-to-actual comparisons on the general fund, and monthly financial information.</p> <p>The Entity reported a positive unrestricted fund balance in the previous audit report.</p>	<p><i>The results did not include findings or criticism.</i></p> <p><i>The results did not include findings or criticism.</i></p> <p><i>The results did not include findings or criticism.</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>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>There were no findings in the previous audit report for the board/finance committee to receive written updates on.</p>	<p><i>The results did not include findings or criticism.</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 evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and</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>There was no evidence that all bank reconciliations were performed within two months of the related statement closing date.</p> <p>A member of management reviews bank reconciliations, but also has the ability to post ledger and issue checks.</p> <p>The Entity had not researched every item outstanding for more than 12 months.</p>	<p><i>Because of key personnel changes, some reconciliations were completed late, but have subsequently been completed in a timely manner.</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>The volume of transactions processed by the City precludes us making a detailed search of each and every transaction outstanding for more than 12 months. However, we will continue to work towards documented all outstanding transactions.</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>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.</p>	<p>None of the employees responsible for collecting cash are also responsible for preparing or making bank deposits.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>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.</p>	<p>None of the employees responsible for collecting cash are also responsible for posting collection entries to the general ledger.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>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.</p>	<p>The employee responsible for reconciling collections to the general ledger is not responsible for collecting cash.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.</p>	<p>The administrative staff is covered by a bond policy that protects against theft.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<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</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>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>Receipts were sequentially prenumbered.</p> <p>Collection documentation agreed to the deposit slip.</p> <p>The deposit slip total agreed to the actual deposit per the bank statement.</p> <p>Deposits were made within one business day of receipt.</p> <p>The actual deposit per the bank statement agreed to the general ledger.</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
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 signed checks to an employee to mail	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>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 style="padding-left: 20px;">a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p style="padding-left: 20px;">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>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</p>	<p>Disbursements are supported by invoices.</p> <p>Disbursement documentation included evidence of segregation of duties.</p> <p>One of the five selected transactions were approved by the required number of authorized signers per the entity's policy.</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>In the future, we will work to ensure that transactions are approved by the proper number of authorized signers.</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
the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.		

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>The credit card statement is approved by a member of the accounting team that is not an authorized card holder.</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).	Each transaction was substantiated by an original, itemized receipt, and had a clear business or public purpose. Individuals participating in meals were clear.	<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>One of the transactions selected did not have supporting documentation for review. All other transactions had the proper supporting documentation.</p> <p>One of the transactions selected did not have supporting documentation for review. All other transactions had the proper supporting documentation.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>We will work to ensure that all transactions have the proper documentation in the future.</i></p> <p><i>We will work to ensure that all transactions have the proper documentation in the future.</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.	One of the transactions selected did not have supporting documentation for review. All other transactions had the proper supporting documentation.	<i>We will work to ensure that all transactions have the proper documentation in the future.</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>The Contract was either bid in accordance with the Louisiana Public Bid Law, or not required to be bid.</p> <p>Two of the selected contracts did not have supporting documentation for review.</p> <p>The contracts selected for testing did not include any amendments.</p> <p>Two of the selected contracts did not have supporting documentation for review.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>We will work to ensure that all contracts have the proper documentation in the future.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>We will work to ensure that all contracts have the proper documentation in the future.</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
<p>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.</p>	<p>The Entity provided a listing of employees, related salaries, and personnel files, and provided representations as to their completeness.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:</p> <p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p> <p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p> <p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	<p>All selected employees documented their daily attendance and leave.</p> <p>Supervisor's approval of attendance and leave was documented.</p> <p>The Entity's cumulative pay records reflected the leave accrued or taken by the selected employees.</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>
<p>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</p>	<p>Management provided the listing, and represented that it was complete. The selected employees who received termination payments were paid only for their accumulated leave, at their approved rates of pay.</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)

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.	Management has represented that all payments were made and all associated forms were filed by required deadlines.	<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)

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
<p>21 Using the 5 randomly selected employees/officials from procedure #16 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>22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.</p>	<p>Documentation was available demonstrating each employee completed one hour of ethics training during the fiscal period.</p> <p>The entity has not adopted a written ethics policy.</p> <p>The City has appointed an ethics designee</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><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.	The City did not issue any new bonds or notes in the current year.	<i>The results did not include findings or criticisms.</i>
25 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.	The Entity was in compliance with its debt covenants.	<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)

Fraud Notice		
Agreed-Upon Procedure	Results	Managements' Response
23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	Management represented that there were no misappropriations of public funds or assets during the period.	<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 was visibly posted on the Entity's website and premises.	<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 procedures 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 procedures 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 procedures 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 procedures 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 the list of terminated employees obtained in	We performed the procedures 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
procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.		

City of Pineville

Statewide Agreed-Upon Procedures

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

Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
<p>29 Using the 5 randomly selected employees/officials from procedure #16 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>30 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. Previously, the policy was not included on the website because we have communicated our policy regularly to our staff, and committed to regular sexual harassment training.</i></p>
<p>31 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 the number of employees who have taken the sexual harassment training. No instances of sexual harassment were noted in the current fiscal year.</p>	<p><i>The results did not include findings or criticisms.</i></p>