FINANCIAL REPORT
OF THE
VILLAGE OF PINE PRAIRIE, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 2020

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VIGE, TUJAGUE AND NOEL
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
151 N. 2ND STREET
P. O. BOX 1006
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.
FRANK G. TUJAGUE, C.P.A.
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:
337-457-9324
FAX:
337-457-8743

INDEPENDENT AUDITOR'S REPORT

To the Board of Aldermen
Village of Pine Prairie, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Village of Pine Prairie, Louisiana as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, of the Village of Pine Prairie, Louisiana, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

The Village of Pine Prairie, Louisiana has not presented a management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Pine Prairie, Louisiana's basic financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021, on our consideration of the Village of Pine Prairie, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Pine Prairie, Louisiana's internal control over financial reporting and compliance.

The prior year comparative information has been derived from the Village of Pine Prairie, Louisiana's 2019 financial statements and, in our report dated June 9, 2020 we expressed unmodified opinions on the respective financial statements of the governmental and business-type activities.

Vige, Tujague & Noel

Vige, Tujague & Noel
Eunice, Louisiana

May 11, 2021

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF PINE PRAIRIE

Statement of Net Position

December 31, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current Assets:			
Cash and Interest-Bearing Deposits	$ 1,462,148	$ 33,545	$ 1,495,693
Receivables, net of $52,582 allowance	132,377	13,196	145,573
Total Current Assets	1,594,525	46,741	1,641,266
Noncurrent Assets:			
Restricted Assets:			
Cash and Interest-Bearing Deposits	15,695	76,340	92,035
Capital Assets, Net	1,417,359	1,187,850	2,605,209
Total Noncurrent Assets	1,433,054	1,264,190	2,697,244
Total Assets	3,027,579	1,310,931	4,338,510
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows Related to Pensions	196,636	-	196,636
LIABILITIES:			
Current Liabilities:			
Accounts Payable	21,425	3,586	25,011
Payroll Taxes Payable	11,407	-	11,407
Accrued Interest Payable	-	565	565
Notes Payable	3,470	7,677	11,147
Total Current Liabilities	36,302	11,828	48,130
Noncurrent Liabilities;			
Customers' Deposits	-	33,750	33,750
Notes Payable	177,570	365,501	543,071
Net Pension Liability	591,942	-	591,942
Total Noncurrent Liabilities	769,512	399,251	1,168,763
Total Liabilities	805,814	411,079	1,216,893
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pensions	51,862	-	51,862
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	1,236,319	814,672	2,050,991
Restricted For:			
Debt Service	15,695	40,913	56,608
Street Projects	999,762	-	999,762
Unrestricted	114,763	44,267	159,030
Total Net Position	$ 2,366,539	$ 899,852	$ 3,266,391

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

VILLAGE OF PINE PRAIRIE

Statement of Activities

For the Year Ended December 31, 2020

Activities	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets: Governmental Activities	Net (Expense) Revenues and Changes in Net Assets: Business-Type Activities	Total
Governmental activities:						
General government	$ 367,579	$ 155,772	$ -	$ (211,807)	$ -	$ (211,807)
Public safety (Police)	577,265	489,263	138,740	50,738	-	50,738
Streets	282,780	-	-	(282,780)	-	(282,780)
Interest on long-term debt	7,543	-	-	(7,543)	-	(7,543)
Total governmental activities	1,235,167	645,035	138,740	(451,392)	-	(451,392)
Business-type activities:						
Sewer	142,838	107,035	-	-	(35,803)	(35,803)
Total business-type activities	142,838	107,035	-	-	(35,803)	(35,803)
Total primary government	$ 1,378,005	$ 752,070	$ 138,740	(451,392)	(35,803)	(487,195)
General Revenues:						
Taxes						
Ad Valorem Taxes				126,911	-	126,911
Sales Taxes				239,112	-	239,112
Franchise Taxes				45,689	-	45,689
Investment Earnings				4,179	184	4,363
Nonemployer pension contributions				15,632	-	15,632
Miscellaneous				42,842	-	42,842
Transfers				(10,294)	10,294	-
Total general revenues and transfers				464,071	10,478	474,549
Change in net position				12,679	(25,325)	(12,646)
Net position-beginning				2,353,860	925,177	3,279,037
Net position-ending				$ 2,366,539	$ 899,852	$ 3,266,391

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

VILLAGE OF PINE PRAIRIE

Governmental Funds

Balance sheet

December 31, 2020

With Comparative Totals for December 31, 2019

	General	Special Revenue	Total Governmental Funds	2019 Totals
ASSETS				
Current Assets:				
Cash and Interest-Bearing Deposits	$ 462,386	$ 999,762	$ 1,462,148	$ 1,285,862
Ad Valorem Taxes Receivable	33,961	32,850	66,811	78,450
Franchise Tax Receivable	10,641	-	10,641	12,170
Sales Tax Receivable	-	43,572	43,572	42,641
Other Receivables	11,055	-	11,055	18,517
Due from Other Funds	-	1,361	1,361	1,361
Total Current Assets	518,043	1,077,545	1,595,588	1,439,001
Restricted Assets:				
Community Center Reserve Fund	11,427	-	11,427	11,381
Community Center Sinking Fund	3,078	-	3,078	3,063
Community Center Contingency Fund	1,190	-	1,190	1,185
Total Restricted Assets	15,695	-	15,695	15,629
Total Assets	$ 533,738	$1,077,545	$ 1,611,283	$ 1,454,630
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	$ 14,100	$ 7,325	$ 21,425	$ 25,948
Payroll Liabilities	11,407	-	11,407	22,378
Due to Other Funds	861	500	1,361	1,361
Total Liabilities	26,368	7,825	34,193	49,687
Fund Balances:				
Fund Balances:				
Restricted for:				
Debt Service	-	180,149	180,149	179,430
Street Projects	-	889,571	889,571	750,857
Unassigned	507,370	-	507,370	474,656
Total Fund Balances	507,370	1,069,720	1,577,090	1,404,943
TOTAL LIABILITIES AND FUND BALANCES	$ 533,738	$1,077,545	$ 1,611,283	$ 1,454,630

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

VILLAGE OF PINE PRAIRIE

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2020

Governmental funds fund balances at December 31, 2020	$ 1,577,090
Total net position reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,417,359
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(181,040)
Accrued interest receivable at December 31, 2020	298
Amounts related to pension recognition are not due and payable in the current period and, therefore, are not reported in the funds	(447,168)
Net position of governmental activities	$ 2,366,539

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

VILLAGE OF PINE PRAIRIE

Governmental Funds

Combined Statement Of Revenues, Expenditures, And Changes

In Fund Balances

For the Year Ended December 31, 2020

With Comparative Totals For the Year Ended December 31, 2019

	General Fund	Special Revenue	Total (Governmental Funds)	2019 Totals
Revenues:				
Taxes: Ad Valorem	$ 62,313	$ 64,598	$ 126,911	$ 125,862
Franchise	45,689	-	45,689	56,220
Sales	-	239,112	239,112	244,736
Licenses	44,710	-	44,710	47,767
Fines and Forfeits	489,263	-	489,263	485,185
Prison Fees	111,062	-	111,062	244,196
Miscellaneous & Grants	181,055	527	181,582	77,758
Total Revenues	934,092	304,237	1,238,329	1,281,724
Expenditures:				
Current:				
General Government	320,108	-	320,108	328,704
Public Safety	483,559	-	483,559	517,489
Street Department	-	217,340	217,340	246,941
Capital Outlay	28,220	-	28,220	113,953
Debt Service	10,872	-	10,872	10,872
Total Expenditures:	842,759	217,340	1,060,099	1,217,959
Other Financing Sources / (Uses)				
Interest Income	1,634	2,577	4,211	3,685
Operating Transfers In	40,430	170,722	211,152	226,485
Operating Transfers Out	(100,683)	(120,763)	(221,446)	(228,482)
Total Other Financing Sources/(Uses)	(58,619)	52,536	(6,083)	1,688
Net Change in Fund Balances	32,714	139,433	172,147	65,453
Fund Balance, Beginning Of Year	474,656	930,287	1,404,943	1,339,490
Fund Balance, End Of Year	$ 507,370	$ 1,069,720	$ 1,577,090	$ 1,404,943

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

VILLAGE OF PINE PRAIRIE

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances-
Governmental Funds

For the Year Ended December 31, 2020

Net change in fund balances-total governmental funds	$ 172,147
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($28,220) exceeded depreciation ($113,953) in the current year.	(107,799)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	3,329
Differences between accrued interest receivable on modified accrual basis versus accrual basis	(32)
Net effect of pension liability recognition	(54,966)
Change in net position of governmental activities	$ 12,679

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

PROPRIETARY FUND

VILLAGE OF PINE PRAIRIE

Proprietary Fund

Statement of Net Position

December 31, 2020

With Comparative Totals for December 31, 2019

ASSETS:

	2020	2019
Current Assets:		
Cash and Interest-Bearing Deposits	$ 33,545	$ 11,890
Accounts Receivable, Net of Allowance for Uncollectible		
(2020 - $52,582; 2019 - $43,574)	13,196	8,685
Total Current Assets	46,741	20,575
Restricted Assets:		
Cash on Deposit for:		
Note Sinking Fund	6,177	6,149
Note Reserve Fund	17,147	15,904
Note Contingency Fund	17,589	16,345
CDBG Fund	12	12
Customers' Deposits	35,415	34,930
Total Restricted Assets	76,340	73,340
Long-Term Assets:		
Fixed Assets, Net of Accumulated Depreciation		
(2020 - $1,159,738; 2019 - $1,099,276)	1,187,850	1,248,312
Total Long-Term Assets	1,187,850	1,248,312
TOTAL ASSETS	$ 1,310,931	$ 1,342,227

(Continued)

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

VILLAGE OF PINE PRAIRIE

Proprietary Fund

Statement of Net Position (Continued)

December 31, 2020

With Comparative Totals for December 31, 2019

LIABILITIES:

	2020	2019
Current Liabilities:		
Accounts Payable	$ 3,586	$ 2,186
Accrued Interest Payable	565	576
Notes Payable	7,677	7,358
Total Current Liabilities	11,828	10,120
Noncurrent Liabilities:		
Customers' Deposits	33,750	33,750
Notes Payable	365,501	373,180
Total Noncurrent Liabilities	399,251	406,930
Total Liabilities	411,079	417,050
NET POSITION:		
Invested in capital assets, net of related debt	814,672	867,774
Restricted for:		
Debt Service	40,913	38,398
Unrestricted	44,267	19,005
Total Net Position	$ 899,852	$ 925,177

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

VILLAGE OF PINE PRAIRIE

Statement of Revenues,
Expenses, And Changes In Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2020
With Comparative Totals For the Year Ended December 31, 2019

	2020	2019
Operating Revenues:		
Charges for Services—Sewer Fees	$ 107,003	$ 92,306
Miscellaneous	32	94
Total Operating Revenues	107,035	92,400
Operating expenses:		
Bad Debt Expense	10,182	5,648
Dues & Fees	11,531	9,284
Depreciation Expense	60,462	60,489
Office Expense	1,866	2,332
Repairs and Maintenance	30,236	42,697
Miscellaneous	4,669	3,849
Utilities	7,873	10,962
Total operating expenses	126,819	135,261
Operating income (loss)	(19,784)	(42,861)
Non-operating revenues/(expenses):		
Interest Revenue	184	81
Interest Expense	(16,019)	(16,325)
Total non-operating revenues/(expenses)	(15,835)	(16,244)
Transfers in (out):		
Operating Transfers In	10,294	1,997
Operating Transfer Out	-	-
Total transfers in (out)	10,294	1,997
Change in net position	(25,325)	(57,108)
Net Position, BEGINNING OF YEAR	925,177	982,285
Net Position, END OF YEAR	$ 899,852	$ 925,177

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

VILLAGE OF PINE PRAIRIE

Proprietary Fund

Statement Of Cash Flows

For the Year Ended December 31, 2020

Cash flows from operating activities:		
Receipts from customers	$	102,524
Payments to suppliers		(64,957)
Net cash provided (used) by operating activities		37,567
Cash flows from noncapital financing activities:		
Cash received from other funds		10,294
Net cash provided by noncapital financing activities		10,294
Cash flows from capital and related financing activities:		
Note principal payments		(7,360)
Increase/(Decrease) in customers' deposits payable		-
Net cash used for capital and related financing activities		(7,360)
Cash flows from investing activities:		
Interest received		184
Interest paid		(16,030)
Net cash used for investing activities		(15,846)
Net increase (decrease) in cash and cash equivalents		24,655
Cash and cash equivalent, beginning of year		85,230
Cash and cash equivalent, end of year	$	109,885

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

VILLAGE OF PINE PRAIRIE

Proprietary Fund

Statement Of Cash Flows (continued)

For the Year Ended December 31, 2020

Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$	(19,784)
Adjustments to reconcile operating loss to net cash provided by/(used for) operating activities:		
Depreciation		60,462
Changes in current assets and liabilities:		
(Increase)/Decrease in accounts receivable		(4,511)
Increase/(Decrease) in accounts payable		1,400
Net cash provided (used) by operating activities	$	37,567

Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of year		
Cash -unrestricted	$	11,890
Cash—restricted		73,340
Total cash and cash equivalents, beginning of year		85,230
Cash and cash equivalents, end of year		
Cash—unrestricted		33,545
Cash—restricted		76,340
Total cash and cash equivalents, end of year		109,885
Net Increase (Decrease)	$	24,655

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

NOTES TO THE FINANCIAL STATEMENTS

VILLAGE OF PINE PRAIRIE, LOUISIANA
Notes to the Financial Statements
December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Pine Prairie was incorporated in 1959 under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting practices of the Village of Pine Prairie conform to generally accepted accounting principles of the United States of America as applicable to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies:

A. Financial reporting Entity

This report includes all funds which are controlled by or dependent on the Village executive and legislative branches (the Mayor and Board of Alderman). Control by or dependence on the Village was determined on the basis of financial accountability, budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. The Village has no component units or fiduciary funds.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the Village of Pine Prairie, the primary government, as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements

The accounts of the Village of Pine Prairie are organized on the basis of funds each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which spending activities are controlled. The various funds are grouped in the financial statements in this report, into four generic fund types and two broad fund categories. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined

The major funds of the Village are described below:

Governmental Funds –

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Additionally, the Village reports the following fund types:

Proprietary Fund

Enterprise Fund

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis to be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Village of Pine Prairie's enterprise fund is the utility fund. It accounts for the provision of sewer services to residents of the Village.

Proprietary distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Measurement Focus/Basis of Accounting

Measurement focus is term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered "measurable" when collected by the collection agency and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year in which they are billed. Fees and non tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Available means collectible within the current period or soon enough thereafter to pay current liabilities, usually 60 days.

Those revenues susceptible to accrual are property taxes, grant revenues and interest revenue.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when incurred.

Bad debts are written off when accounts became worthless.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These transactions are recorded when the transfers occur.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues.

Allocation of indirect expenses

The Village reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. <u>Assets, Liabilities, and Equity</u>

<u>Cash and Cash Equivalents</u>

Cash includes amounts in demand deposit, interest bearing demand, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the municipality may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law, or any other state of the United States, or under the laws of the United States.

Receivables:

In the government-wide statements, receivables consist of all revenue earned at year-end and not yet received. In the fund financial statements, receivables include accruals for revenues which are measurable and available. Major receivable balances for the Villages' governmental activities reported in both the government-wide and the fund financial statements include sales taxes and ad valorem taxes. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Sewer utility accounts receivable compose the majority of proprietary fund receivables.

Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note G for details of interfund transactions, including receivables and payables at year-end.

Fixed Assets:

The accounting treatment of property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost of $390,957 was used to value the majority of the assets acquired prior to January 1, 1988. The Village maintains a threshold level of $500 or more for capitalizing capital assets.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment	5-10 years
Improvements	20 years
Buildings	40 years
Sewerage Disposal Plant	40 years

Fund Financial Statements

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

Restricted Assets:

Restricted assets include cash and interest-bearing deposits of the debt service and proprietary fund. The primary restricted assets are related to bonds/note repayment, sewer utility meter deposits, and sewer plant remediation monies.

Long-Term Debt:

The accounting treatment of long-term debt depends on whether the liabilities are reported in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes and bonds payable.

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

Equity Classifications:

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

a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consist of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspenable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the village council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the village council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the village's "intent" to be used for specific purposes but are neither restricted nor committed. The village council and village manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village has provided otherwise in its commitment or assignment actions.

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

VILLAGE OF PINE PRAIRIE
NOTES TO FINANCIAL STATEMENTS, CONT'D.

E. Revenues, Expenditures, and Expenses

Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of March 16 of each year. Taxes are levied by the Village in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on March 16 of the following year. Revenues from ad valorem taxes are recorded in the year billed.

The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Evangeline Parish.

Sales Taxes

Proceeds of the two percent (2%) sales and use tax are dedicated to the following purposes:

> After paying the necessary cost of collection and administration, for the purpose of construction, maintenance, and repairs of all public streets and roadways within the Village of Pine Prairie.

The two percent (2%) sales tax is in effect for a period of twenty years, beginning January 1, 1998 and ending December 31, 2017.

Operating (Non-operating) Revenues and Expenses

Operating (Nonoperating) Revenues and Expenses

> Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Expenditures/Expenses

> In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character:
Proprietary Fund – By Operating and Nonoperating

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

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

F. Budget and Budgetary Accounting

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

1. The Village Clerk prepares a proposed budget and submits same to Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.

5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.

6. All budgetary appropriations lapse at the end of each fiscal year.

7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles of the United States of America. Budgeted amounts are as originally adopted or as amended from time to time by the Board of Aldermen. The budget was amended prior to the fiscal year end December 31, 2020.

G. Use of Estimates

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

H. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

NOTE B– STATEMENT OF CASH FLOWS

The statement of cash flows included in the accompanying component unit financial statements presents cash and cash equivalents at the beginning and end of the period. Cash equivalents are defined as short-term, highly liquid investments that are both:

a. Readily convertible to known amounts of cash.

b. So near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

The statement of cash flows focuses on cash receipts and cash payments resulting from operating, non capital financing, capital and related financing, or investing activities.

Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as investing activities. Cash flows from operating activities generally are the cash effects of transactions and other events that enter into the determination of operating income.
Non capital financing activities include borrowing money for purposes other than to acquire, construct, or improve capital assets and repaying those amounts borrowed, including interest.

This category includes proceeds from all borrowings (such as revenue anticipation notes) not clearly attributable to acquisition, construction or improvement of capital assets, regardless of the form of the borrowing. Also, included are certain other interfund and intergovernmental receipts and payments.

Capital and related financing activities include (a) acquiring and disposing of capital assets used in providing services or producing goods, (b) borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (c) paying for capital assets obtained from vendors on credit.

Investing activities include making and collecting loans and acquiring and disposing of debt or equity instruments.

NOTE C-AD VALOREM TAXES

For the twelve months ended December 31, 2020, the 2020 tax roll taxes of 22.22 mills were levied on property with assessed valuations totaling $5,711,540 and were dedicated as follows:

General Corporate Purposes	6.22	Mills
Street Maintenance	6.60	Mills
Street Construction	4.71	Mills
Police Protection	1.88	Mills
Recreation	2.81	Mills
Total	22.22	

Total taxes levied were $126,911.

NOTE D- ACCOUNTING PRONOUNCEMENTS

The Government Accounting Standards Board (GASB) has issued the following Statements which will become effective in futures years as shown below:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal year 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*" improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The Statement clarifies which liabilities governments would include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for fiscal year 2019. Management has not yet determined the effect of this Statement on the financial statements.

NOTE E – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, is as follows:

	Balance 12/31/2019	Additions	Retirements	Balance 12/31/2020
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 83,732	$ -	$ -	$ 83,732
Capital assets being depreciated:				
Machinery and Equipment	838,505	23,851	-	862,356
Improvements	2,634,234	4,369	-	2,638,603
Buildings	1,087,323	-	-	1,087,323
Total capital assets:	4,643,794	28,220	-	4,672,014
Less accumulated depreciation:				
Machinery and Equipment	(612,758)	(35,710)	-	(648,468)
Improvements	(2,086,385)	(74,800)	-	(2,161,185)
Buildings	(419,493)	(25,509)	-	(445,002)
Total accumulated depreciation	(3,118,636)	(136,019)	-	(3,254,655)
Governmental activities capital assets, net	$ 1,525,158	$ (107,799)	$ -	$ 1,417,359
Business type activities:				
Capital assets not being depreciated:				
Land	$ 121,125	$ -	$ -	$ 121,125
Capital assets being depreciated :				
Machinery and Equipment	2,226,463	-	-	2,226,463
Total capital assets	2,347,588	-	-	2,347,588
Less accumulated depreciation:				
Machinery and Equipment	(1,099,276)	(60,462)	-	(1,159,738)
Total accumulated depreciation	(1,099,276)	(60,462)	-	(1,159,738)
Business type activities capital assets, net	$ 1,248,312	$ (60,462)	$ -	$ 1,187,850

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	$ 32,258
Public safety (Police)	23,108
Recreation	15,213
Streets	65,440
Total governmental activities	136,019
Business-type activities:	
Sewer utility	60,462
Total business-type activities	60,462
Total depreciation expense	$ 196,481

NOTE F –LONG-TERM LIABILITIES

Long-Term Liability Activity:

Long-term liability activity for the year ended December 31, 2020, was as follows:

	Balance 12/31/2019	Additions	Retirements	Balance 12/31/2020	Due in One Year
Governmental Activities:					
Bonds Payable:					
General Fund	$ 184,369	$ -	$ 3,329	$ 181,040	$ 3,470
Total Governmental Activities:	184,369	-	3,329	181,040	3,470
Business-Type Activities:					
Notes Payable	380,538	-	7,360	373,178	7,677
Total Business-Type Activities:	380,538	-	7,360	373,178	7,677
Total Government	$ 564,907	$ -	$ 10,689	$ 554,218	$ 11,147

Description of Debt:

Governmental Activities:

Debt Service Fund –

The Village started drawing on a $210,000, 40 year, 4.125% interest note for the purpose of constructing a hurricane evacuation/community center in 2009. The first payment on the note will be interest only on June 28, 2010, with the remainder being $906.00 per month including principal and interest starting on July 28, 2010, and maturing on June 28, 2049. There shall be set aside into a Reserve Fund, an amount of $45 per month until there shall have been accumulated in the Reserve Account an amount equal to $10,872. The Reserve Fund is fully funded as of December 31, 2020.

VILLAGE OF PINE PRAIRIE
NOTES TO FINANCIAL STATEMENTS, CONT'D.

Debt service requirements to maturity are estimated to be as follows:

Year Ended	Principal Amounts	Interest Amounts
2021	3,470	7,402
2022	3,616	7,256
2023	3,768	7,104
2024	3,926	6,946
2025	4,091	6,781
2026-2030	23,184	31,176
2031-2035	28,485	25,875
2036-2040	34,997	19,363
2041-2045	42,999	11,361
2046-2049	32,504	2,231
	$ 181,040	$ 125,495

Enterprise Fund - The Village borrowed $445,000 on a USDA Rural Development note for the construction of a new sewer plant. The note is a 40 year, four and one-quarter percent note with the first payment being interest only on the first anniversary of the note, and then monthly payments with interest beginning the following month. There shall be set aside into a Reserve Fund, an amount of $97 per month until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year, or $23,389. Such amounts may be used only for the payments of maturing loans and interest for which sufficient funds are not on deposit in the Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a Depreciation and Contingency Fund at the rate of $143 per month. Money in this fund may be used for the making of extensions, additions, improvements, renewals, and replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operating expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other related funds.

Estimated debt service requirements to maturity are as follows:

Year Ending	Principal Amounts	Interest Amounts
2021	7,677	15,712
2022	8,010	15,379
2023	8,357	15,032
2024	8,719	14,670
2025	9,097	14,292
2026-2030	51,753	65,192
2031-2035	63,982	52,963
2036-2040	79,101	37,844
2041-2045	97,793	19,152
2046-2047	38,689	1,506
Total	$ 373,178	$ 251,742

NOTE G – CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Village of Pine Prairie are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent bank has failed to pay deposited funds upon demand. Further Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Village's name.

The Village's cash was not adequately collateralized at December 31, 2020.

	Interest Bearing	Non-interest Bearing
December 31, 2020		
Investar Bank	$ 1,404,063	$ 193,342
Less Amount Insured by FDIC	(250,000)	(250,000)
	1,154,063	(56,658)
Less Amount Collateralized with Securities Pledged in the Village's Name	(1,103,041)	-
(Over)/Under Collateralized Bank Balances December 31, 2020	$ 51,022	$ (56,658)

NOTE H – INTERFUND RECEIVABLES, PAYABLES

	Interfund Receivables	Interfund Payables
General Fund		
Due to Street Maintenance	$ -	$ 511
Due to Street Construction	-	350
Special Revenue Funds		
Street Maintenance Fund		
Due from General Fund	511	-
Due from Street Street Construction	500	-
Street Construction Fund		
Due from General Fund	350	
Due to Street Maintenance	-	500
Totals	$ 1,361	$ 1,361

NOTE I – COMPENSATION OF MAYOR AND BOARD OF ALDERMEN

A schedule of compensation paid to the Mayor and Board of Aldermen is as follows:

	Salary	Expenses
Quint West (Mayor)	$ 21,600	$ 6,000
Gilbert Bordelon	5,400	4,200
Tammy Hammond	5,400	4,200
Debbie Ogé	5,400	4,200
Total	$ 37,800	$ 18,600

NOTE J— PENSION PLANS

Plan Descriptions

In addition to the federal social security system, substantially all employees of the Village of Pine Prairie are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual, publicly-available financial reports that include financial statements and required supplementary information for the systems. The reports for MERS and MPERS may be obtained at www.mersla.com and www.lampers.org, respectively.

Plan Description- MERS

MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana and is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees (6) of the Village of Pine Prairie 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 MERS.

The System is administered by a Board of Trustees composed of eleven members, three of whom shall be active and contributing members of the System with at least six years creditable service and who are elected to office in accordance with the Louisiana Election Code, two of whom shall be active and contributing members of the System with at least six years creditable service and who are not elected officials; one of whom shall be a retired member of the System; one of whom shall be president of the Louisiana Municipal Association who shall serve as an ex-officio member during his tenure; one of whom shall be the Chairman of the Senate Retirement Committee; and one of whom shall be a member of the House Retirement Committee appointed by the Speaker of the House; the Commissioner of Administration; and the State Treasurer.

The System is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS).

Effective October 1, 1978, under Act #788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B." Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan.

Plan Description- MPERS

The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer (3) employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments I the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and it benefits and is provided for general information purposes only. Participant should refer to the appropriate statutes for more complete information.

Benefits Provided

Retirement Benefits- MERS

Any member of Plan B who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Any member of Plan B Tier 2 shall be eligible for retirement if he meets one of the following criteria:

1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual sick leave, with an actuarially reduced early benefit.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Retirement Benefits- MPERS

Members of MPERS with membership beginning prior to January 1, 2013 are eligible for regular retirement after he or she has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years of creditable service and is age 55. A member is eligible for early retirement after he or she has been a member of MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent (3.33%) of the member's final compensation (employee's average salary over the 36 consecutive or joined months that produce the highest average) multiplied by the member's years of creditable service.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10%, of the member's average final compensation or $200 per month, whichever is greater.

Members of MPERS with membership beginning on or after January 1, 2013 are eligible for regular retirement, early retirement, disability and survivor benefits based on Hazardous Duty and Non- Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of MPERS and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he or she has been a member of MPERS and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he or she has been a member of MPERS for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statues, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or $200 per month whichever is greater. If a deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

In 1999, the State Legislature authorized MPERS to establish an Initial Benefit Option program. This is available to MPERS members who are eligible for regular retirement but have not participated in DROP. This program provides both a one-time single sum payment of up to 46 months of the regular monthly retirement benefit, plus a reduced monthly retirement benefit for life.

Deferred Retirement Options

In lieu of terminating employment and accepting a service retirement allowance, any member of MERS who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. A MERS member may participate in DROP only once. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment, are credited to the MERS member's individual DROP account. Interest is earned when the member has completed DROP participation. Upon termination of employment prior to or at the end of the participation period, the member may receive a lump sum from the account or a true annuity based on the account balance. If employment is not terminated at the end of the three year DROP participation period, payments into the DROP account cease and the person resumes active contributing membership in MERS.

A member of MPERS is eligible to enter DROP when he or she is eligible for regular retirement based on the members' sub plan participation. At the entry date into DROP, employee and employer contributions cease. The amount deposited into the DROP account for MPERS members is equal to the benefit computed under the retirement plan elected by participant date of application. Interest is earned when the MPERS member has completed DROP participation. Upon termination of employment prior to or at the end of the participation period, the MPERS member may receive a lump sum from the account or a true annuity based on the account balance.

Disability Benefits

A member of MERS Plan B is eligible to retire and receive a disability benefit if he or she has at least 10 years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. The monthly maximum retirement benefit under Plan B of MERS is the lesser of an amount equal to two percent of member's final compensation multiplied by years of service (not less than 30% of member's final compensation) or an amount equal to what the member's normal retirement benefit would be based on final compensation at time of disability, but assuming continuous service until member's earliest normal retirement age.

A member of MPERS is eligible to retire and receive a disability benefit if he or she has been certified as disabled by the State Medical Disability Board. If the disability incurred is job-related, there is no minimum creditable service requirement. If the disability is non-job-related, a minimum of 10 years of creditable service is required if the member was employed on or after July 1, 2008. Members of MPERS employed prior to July 1, 2008 must have a minimum of 5 years of creditable service to be eligible to retire with disability benefits if the disability incurred is non-job-related. The disability benefit received by a MPERS member is equal to three percent of his or her final average compensation multiplied by years of creditable service (not less than 40%, nor more than 60% of final average compensation). At the time the disabled MPERS member reaches normal retirement age, he or she will have the option to continue to receive the disability retirement benefit or to receive his or her vested retirement benefit.

Survivor's Benefit

Upon the death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Survivor benefits for MPERS members are payable to the surviving spouse or surviving minor child/children of a deceased active contributing member or a deceased disability retiree. Survivor benefits are not payable to survivors of retirees receiving benefits under the provisions of early or normal service retirement. The maximum benefit for a surviving spouse of a MPERS member is equal to the regular retirement formula, regardless of age, but not less than 40% or more than 60% of the deceased member's final average compensation. There is no requirement for minimum years of creditable service. If the MPERS member is killed in the line of duty, the surviving spouse shall receive a benefit equal to 100% of the deceased member's final average compensation, less any survivor benefits payable to a child or children. Each surviving minor child of the MPERS member will receive a benefit equal to 10% of deceased member's final average compensation or $200 per month, whichever is greater. Benefits for a surviving child cease upon the child's attainment of age 18 or upon marriage, whichever occurs first. The benefit may continue after age 18 if the child meets certain educational or disability requirements. The surviving minor child may receive an increased benefit if there is no surviving spouse of the MPERS member.

Cost of Living Increases

MERS is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above to equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after this date.

The Board of Trustees of MPERS is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost-of-living adjustment until they reach regular retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred Benefits

Both plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Contributions

The MERS and MPERS employer contribution rates are established annually under La R.S 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the system's actuary. Each plan pays a separate actuarially-determined employer contribution rate. For the year ending December 31, 2020 the employer contribution rate for MERS Plan B was 14.00% from January through June and 15.50% from July through December, and MPERS was 32.25% from January through June and 33.75% from

July through December. Employer contributions to MERS and MPERS were $28,964 and $32,178, respectively, for the year ended December 31, 2020. Employees participating in MERS are required to contribute 5.00% and employees participating in MPERS are required to contribute 10.00% for hazardous and 8% for non-hazardous pay.

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. MERS receives ad valorem taxes and state revenue sharing funds. MPERS receives insurance premium tax monies appropriated by the legislature each year based on an actuarial study. The Village of Pine Prairie recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2020, the Village of Pine Prairie recognized revenue as a result of support received from non-employer contributing entities of $7,224 for its participation in MERS and $8,408 for its participation in MPERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December, 2020, the Village of Pine Prairie reported a liability for MERS and MPERS of $235,410 and $356,532, respectively, for its proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2020 and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuations as of that date. The Village of Pine Prairie's proportion of the net pension liability for each retirement system was based on a projection of the Village of Pine Prairie's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Village of Pine Prairie's proportion for MERS and MPERS was 0.259770% and 0.038576%, respectively. This reflects an increase for MERS and a decrease for MPERS of 0.023237% and 0.001629%, respectively, from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Village of Pine Prairie recognized pension expense and net pension liability, for which there were no forfeitures, as follows:

	Pension Expense	Net Pension Liability
MERS	$ 36,339	$ 235,410
MPERS	95,401	356,532
	$ 131,740	$ 591,942

At December 31, 2020, the Village of Pine Prairie reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	MERS	MPERS	Total	MERS	MPERS	Total
Differences between expected and actual experience	$ -	$ -	$ -	$ (3,961)	$ (14,044)	$ (18,005)
Changes in assumptions	7,296	8,472	15,768	-	(8,799)	(8,799)
Net difference between projected and actual earnings on pension plan investments	25,558	70,608	96,166	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,900	42,773	54,673	(4,979)	(20,079)	(25,058)
Employer contributions subsequent to measurement date	15,398	14,631	30,029	-	-	-
Total	$ 60,152	$ 136,484	$ 196,636	$ (8,940)	$ (42,922)	$ (51,862)

During the year ended December 31, 2020, employer contributions totaling $15,398 and $14,631 were made subsequent to the measurement date for MERS and MPERS, respectively. These contributions are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	MERS	MPERS
2021	$ 13,798	$ 47,988
2022	13,395	28,185
2023	5,823	4,643
2024	3,743	8,123
Total	$ 36,759	$ 88,939

Actuarial Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. The components of the net pension liability of MERS and MPERS employers as of June 30, 2020 are as follows:

	MERS Plan B	MPERS
Total Pension Liability	$ 697,733	$ 1,227,092
Plan Fiduciary Net Position	462,323	870,560
Total Net Pension Liability	$ 235,410	$ 356,532
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	66.26%	70.94%

VILLAGE OF PINE PRAIRIE
NOTES TO FINANCIAL STATEMENTS, CONT'D.

The Village of Pine Prairie's allocation is 0.259770% of the Total Net Pension Liability for MERS and 0.038576% of the Total Net Pension Liability for MPERS.

The total pension liabilities for MERS and MPERS in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	MERS	MPERS
Actuarial cost method	Entry Age Normal	Entry Age Normal Cost
Expected remaining service lives	3 years for Plan B	4 years
Investment rate of return	6.95%, net of investment expense	6.95%, net of investment expense
Inflation rate	2.500%	2.500%
Projected salary increases 1 - 4 years of service >4 years of service	 7.40% 4.90%	Years of Service — Salary Growth Rate 1 — 12.30% 2 — 12.30% Over 3 — 4.70%
Cost of living adjustments	None	None
Mortality	RP-2000 Employee Table for active members; RP-2000 Healthy annuitants; RP-2000 Disabled Lives Mortality Tables for disabled annuitants	Based on experience study performed by actuary on plan data for period of July 1, 2009 - June 30, 2014 combined with a standard table

The MERS and MPERS actuarial assumptions used were based on the results of an experience study for the period July 1, 2009 through June 30, 2014.

The forecasted 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 and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return for MERS is 6.95% and MPERS is 6.95% for the year ended June 30, 2020.

VILLAGE OF PINE PRAIRIE
NOTES TO FINANCIAL STATEMENTS, CONT'D.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for MERS and MPERS as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocations		Long-Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Equity	53%	48.5%	2.33%	3.08%
Fixed Income	38%	33.5%	1.67%	0.54%
Alternatives	7%	18.0%	0.40%	1.02%
Other	0%	0%	0.00%	0.00%
Total	100%	100%	4.40%	4.64%
Inflation			2.60%	2.55%
Expected Nominal Return			7.00%	7.19%

Discount Rates

The discount rate used to measure the total pension liability for MERS was 7.00% and MPERS was 7.20%. 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 PERSAC taking into consideration the recommendation of the actuary. Based on those assumptions, the net position of MERS and MPERS 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 of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rates

The following table presents the Village of Pine Prairie's proportionate share of the net pension liability using the discount rate of 6.95% for MERS and 6.95% for MPERS, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower than the current rate:

	1% Decrease	Current Discount	1% Increase
MERS	$ 313,375	$ 235,410	$ 500,890
MPERS	169,441	356,532	235,855
Total	$ 482,816	$ 591,942	$ 736,745

Payables to the Pension Plans

At June 30, 2020, payables to MERS and MPERS were $3,926 and $2,994 respectively.

VILLAGE OF PINE PRAIRIE
NOTES TO FINANCIAL STATEMENTS, CONT'D.

NOTE K – ON BEHALF PAYMENTS

Certain employees of the Village working in the police department receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24, the Village has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled $22,000 and the related expenditure is recorded in police payroll expense.

NOTE L – SUBSEQUENT EVENTS

The Village has evaluated subsequent events through May 11, 2021, the date which the financial statements were available to be issued.

NOTE M – MUNICIPALITY CLASSIFICATION

An investigative audit conducted by the Louisiana Legislative Auditor found that the Village appears to be improperly classified as a village under the provisions of the Lawrason Act. The Village management is researching the population reported by the Census to determine if prison inmates were included in error. If the population is correct as reported by the Census, the Village will adopt a resolution to request the governor to change its classification to a town.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF PINE PRAIRIE

General Fund

Budgetary Comparison Schedule

For the Year Ended December 31, 2020

	Budget Original	Budget Final	Actual	Budget Variance Positive/ (Negative)
Revenues:				
Taxes: Ad valorem	$ 58,000	$ 62,000	$ 62,313	$ 313
Franchise	58,000	56,000	45,689	(10,311)
Licenses	51,000	48,000	44,710	(3,290)
Fines and Forfeits	500,000	490,000	489,263	(737)
Prison Fees	248,000	132,000	111,062	(20,938)
Miscellaneous & Grants	21,250	88,470	181,055	92,585
Total Revenues	936,250	876,470	934,092	57,622
Expenditures:				
Current:				
General Government	351,200	368,400	320,108	48,292
Public Safety	504,500	504,500	483,559	20,941
Capital Outlay	75,000	66,000	28,220	37,780
Debt Service	11,000	11,000	10,872	128
Total Expenditures:	941,700	949,900	842,759	107,141
Other Financing Sources / (Uses)				
Interest Income	2,000	1,300	1,634	334
Operating Transfers In	134,000	120,000	40,430	(79,570)
Operating Transfers Out	(168,000)	(200,000)	(100,683)	99,317
Total Other Financing Sources/(Uses)	(32,000)	(78,700)	(58,619)	20,081
Net change in fund balances	$ (37,450)	$ (152,130)	32,714	$ 184,844
Fund Balance, Beginning Of Year			474,656	
Fund Balance, End Of Year			$ 507,370	

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

VILLAGE OF PINE PRAIRIE
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budget Original	Budget Final	Actual	Budget Variance Positive/ (Negative)
Revenues:				
Taxes: Ad Valorem	$ 63,000	$ 63,000	$ 64,598	$ 1,598
Sales	260,000	240,000	239,112	(888)
Miscellaneous	1,000	1,000	527	(473)
Total Revenues	324,000	304,000	304,237	237
Expenditures:				
Current:				
Street Department	240,625	246,125	217,340	28,785
Capital Outlay	100,000	100,000	-	100,000
Total Expenditures:	340,625	346,125	217,340	128,785
Other Financing Sources / (Uses)				
Interest Income	3,000	3,000	2,577	(423)
Operating Transfers In	165,000	165,000	170,722	5,722
Operating Transfers Out	(134,000)	(120,000)	(120,763)	(763)
Total Other Financing Sources/(Uses)	34,000	48,000	52,536	4,536
Net Change in Fund Balances	$ 17,375	$ 5,875	139,433	$ 133,558
Fund Balance, Beginning Of Year			930,287	
Fund Balance, End Of Year			$1,069,720	

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

VILLAGE OF PINE PRAIRIE, LOUISIANA
Schedule of Employer's Proportionate Share of Net Pension Liability
Year Ended December 31, 2020

	Fiscal Year	Employer Proportionate of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of It's Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
MERS	2020	0.259770	$ 235,410	$ 196,241	119.96%	66.26%
MERS	2019	0.236533	$ 206,922	$ 195,404	105.89%	66.14%
MERS	2018	0.253512	$ 214,429	$ 180,422	118.85%	65.60%
MERS	2017	0.326890	$ 282,836	$ 214,579	131.81%	63.49%
MERS	2016	0.270269	$ 224,028	$ 232,588	96.32%	63.38%
MERS	2015	0.252165	$ 171,383	$ 183,548	93.37%	68.71%
MERS	2014	0.206102	$ 96,764	$ 154,326	62.00%	76.94%
MPERS	2020	0.038576	$ 356,532	$ 96,343	370.06%	70.94%
MPERS	2019	0.040205	$ 365,129	$ 130,320	280.17%	71.01%
MPERS	2018	0.029721	$ 251,263	$ 110,627	227.13%	71.89%
MPERS	2017	0.014600	$ 127,464	$ 58,476	217.98%	70.08%
MPERS	2016	0.024026	$ 225,191	$ 52,660	427.63%	66.04%
MPERS	2015	0.031773	$ 248,908	$ 81,110	306.87%	70.73%
MPERS	2014	0.019809	$ 123,297	$ 74,416	165.69%	75.10%

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

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

VILLAGE OF PINE PRAIRIE, LOUISIANA
Schedule of Employer's Pension Contribution
Year Ended December 31, 2020

	Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percent of Covered Employee Payroll
MERS	2020	$ 28,964	$ 28,964	$ -	$ 196,241	14.76%
MERS	2019	$ 27,357	$ 27,357	$ -	$ 195,404	14.00%
MERS	2018	$ 24,579	$ 24,579	$ -	$ 180,422	13.62%
MERS	2017	$ 25,793	$ 25,793	$ -	$ 214,579	12.02%
MERS	2016	$ 23,975	$ 23,975	$ -	$ 232,588	10.31%
MERS	2015	$ 17,437	$ 17,437	$ -	$ 183,548	9.50%
MERS	2014	$ 14,124	$ 14,124	$ -	$ 154,326	9.15%
MPERS	2020	$ 32,178	$ 32,178	$ -	$ 96,343	33.40%
MPERS	2019	$ 42,191	$ 42,191	$ -	$ 130,320	32.37%
MPERS	2018	$ 34,924	$ 34,924	$ -	$ 110,627	31.60%
MPERS	2017	$ 18,486	$ 18,486	$ -	$ 58,476	31.61%
MPERS	2016	$ 16,071	$ 16,071	$ -	$ 52,660	30.52%
MPERS	2015	$ 25,549	$ 25,549	$ -	$ 81,110	31.50%
MPERS	2014	$ 14,190	$ 23,268	$ -	$ 74,416	31.27%

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

VILLAGE OF PINE PRAIRIE, LOUISIANA
Notes to the Required Supplementary Information
December 31, 2020

(1) Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

(2) Budgetary Practices

The Village prepares and adopts a budget in accordance with LSA-RS 39:1301 et seq. The annual budget for the General Fund is prepared in accordance with the basis of accounting utilized by that fund.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

(3) Pension Plans

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plans.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUNDS

Street Maintenance Fund:	To account for the receipt and use of proceeds of the Village's 6.60 mill tax on all property subject to state taxation in the Village. The expenditures are for the purpose of maintaining streets in the Village.
Street Construction Fund:	To account for the receipt and use of proceeds of the Village's 4.71 mill tax on all property subject to state taxation in the Village. The expenditures are for the purpose of constructing streets in the Village.
Sales Tax Fund:	To account for the receipt and use of the Village's 2% sales and use tax. These taxes are dedicated for, after paying the necessary cost of collection and administration, the hard surfacing and resealing and maintaining of roads in the Village, and for the payment of bonds or other funded indebtedness of said Village incurred for said purposes.

VILLAGE OF PINE PRAIRIE

Special Revenue Funds

Combining Balance Sheet

December 31, 2020

	Street Maintenance Tax Fund	Street Construction Tax Fund	Sales Tax Fund	Totals
ASSETS:				
Cash and Interest-Bearing Deposits	$ 22,125	$ 165,871	$ 811,766	$ 999,762
Ad Valorem Taxes Receivable	18,500	14,350	-	32,850
Sales Tax Receivable	-	-	43,572	43,572
Due from Street Construction Fund	500	-	-	500
Due from General Fund	511	350	-	861
Total Assets	$ 41,636	$ 180,571	$ 855,338	$ 1,077,545
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	$ 4,519	$ -	$ 2,806	$ 7,325
Due to Street Maintenance Fund	-	500	-	500
Total Liabilities	4,519	500	2,806	7,825
Fund Balances:				
Restricted for:				
Debt Service	-	-	180,149	180,149
Street Projects	37,117	180,071	672,383	889,571
Unassigned	-	-	-	-
Total Fund Balances	37,117	180,071	852,532	1,069,720
Total Liabilities and Fund Balances	$ 41,636	$ 180,571	$ 855,338	$ 1,077,545

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

VILLAGE OF PINE PRAIRIE

Special Revenue Funds
Combining Statement Of Revenues, Expenditures,
And Changes In Fund Balances
For the Year Ended December 31, 2020

	Street Maintenance Tax Fund	Street Construction Tax Fund	Sales Tax Fund	Totals
Revenue:				
Tax: Sales	$ -	$ -	$ 239,112	$ 239,112
Ad valorem	37,696	26,902	-	64,598
Miscellaneous	382	145	-	527
Total Revenues	38,078	27,047	239,112	304,237
Expenditures:				
Current:				
Street Department	126,129	-	91,211	217,340
Total Expenditures	126,129	-	91,211	217,340
Other Financing Sources/(Uses)				
Interest Income	-	452	2,125	2,577
Operating Transfer In	96,311	-	74,411	170,722
Operating Transfer Out	-	-	(120,763)	(120,763)
Total Other Financing Sources/(Uses)	96,311	452	(44,227)	52,536
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES/(USES)	8,260	27,499	103,674	139,433
FUND BALANCE, BEGINNING OF YEAR	28,857	152,572	748,858	930,287
FUND BALANCE, END OF YEAR	$ 37,117	$ 180,071	$ 852,532	$1,069,720

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

VILLAGE OF PINE PRAIRIE
SCHEDULE OF INSURANCE
December 31, 2020

TYPE	AMOUNT	EXPIRATION DATE
Automobile Liability	$ 500,000	5/1/2021
Commercial General Liability	500,000	5/1/2021
Law Enforcement Officer's Comprehensive Liability	500,000	5/1/2021
Public Officials' Errors and Omissions Liability	500,000	5/1/2021
Worker's Compensation	500,000	1/1/2021
Commercial Property		
Building & Contents	3,151,400	8/28/2021
Equipment	1,930,000	8/28/2021
Fidelity Bond – Public Employees	100,000	5/16/2021
Honesty Bond	2,500	10/28/2021
Vehicle Physical Damage	174,559	6/15/2021

VILLAGE OF PINE PRAIRIE
SCHEDULE OF METERS AND RATES AND ACCOUNTS RECEIVABLE
December 31, 2020

Accounts Receivables were aged as follows:

0 – 30 days	$ 11,686
31 – 60 days	1,510
Over 60 days	52,582
	$ 65,778

The Village's monthly sewer rates at December 31, 2020 were as follows:

Residential users:	$12.00 for the first 2000 gallons of water used and $2.40 for every 1000 gallons used thereafter.
Commercial users:	$108.00 for the first 100,000 gallons of water used and $.61 for each 1000 gallons used thereafter.
Schools:	$47.25 for the first 100,000 gallons of water used and $.61 for each 1000 gallons used thereafter.

As of December 31, 2020, the Village had 360 residential customers and 3 commercial customers and 2 school customers on its sewer system.

VILLAGE OF PINE PRAIRIE
SCHEDULE OF MAYOR AND ALDERMEN
December 31, 2020

Current officials of the Village are as follows:

Name	Address/Telephone	Term
Quint West, Mayor	P.O. Box 424 Pine Prairie, LA 70576 337-599-2898	1/1/17 – 12/31/20
Tammy Hammond, Council Member	P.O. Box 185 Pine Prairie, LA 70576 337-599-2014	1/1/17 – 12/31/20
Debbie Oge, Council Member	P.O. Box 231 Pine Prairie, LA 70576 337-599-2690	1/1/17 – 12/31/20
Gilbert Bordelon, Council Member	P.O. Box 246 Pine Prairie, LA 70576 337-523-1036	1/1/17 – 12/31/20

VILLAGE OF PINE PRAIRIE
Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
December 31, 2020

Agency Head Name: James Q. West, Mayor
Service Period: 12 Months

Purpose	Amount
Salary	$21,600
Expense allowance	6,000
Telephone allowance	600
Benefits - retirement	3,186
Reimbursements	1,621
	$33,007

VILLAGE OF PINE PRAIRIE
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Session
Cash Basis Presentation
For the Year Ended December 31, 2020

	First Six Month Period Ended 06/30/2020	Second Six Month Period Ended 12/31/2020
Beginning Balance of Amounts Collected (i.e. cash on hand)	$ -	$ -
Add: Collections		
Bond Fees	10,100	8,900
Criminal Court Costs/Fees	37	44
Criminal Fines - Other	219,733	250,449
Subtotal Collections	229,870	259,393
Less: Disbursements To Governments & Nonprofits:		
LA Comm on Law Enforcement - Criminal Fines Other	1,863	2,223
LA Supreme Court - Criminal Fines Other	474	567
Treasurer, State of LA CMS - Criminal Fines Other	947	1,134
DHH-TH/SCI T.F. - Criminal Fines Other	4,735	5,670
Acadiana Crime Lab - Criminal Fines Other	28,590	34,040
Less: Amounts Retained by Collecting Agency		
Criminal Fines Other	193,261	215,759
Subtotal Disbursements/Retainage	229,870	259,393
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	$ -	$ -
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (*i.e. receivable balance*)	$ -	$ 14,985

OTHER REPORTS

VIGE, TUJAGUE & NOEL
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
151 N. 2ND STREET
P. O. BOX 1006
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.
FRANK G. TUJAGUE, C.P.A.
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:
337-457-9324
FAX:
337-457-8743

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 Board of Aldermen
Village of Pine Prairie, 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, and each major fund of Village of Pine Prairie, Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Village of Pine Prairie, Louisiana's basic financial statements and have issued our report thereon dated May 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Pine Prairie, Louisiana'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 Village of Pine Prairie, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Pine Prairie, Louisiana'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. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as items #2020-001 and #2020-002, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Pine Prairie, Louisiana'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 disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items #2020-001 and #2020-002.

Village of Pine Prairie, Louisiana's Response to Findings

Village of Pine Prairie, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Village of Pine Prairie, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vige, Tujague & Noel

Vige, Tujague & Noel
Eunice, Louisiana

May 11, 2021

VILLAGE OF PINE PRAIRIE
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2020

We have audited the basic financial statements of the Village of Pine Prairie, Louisiana as of and for the year ended December 31, 2020, and have issued our report thereon dated May 11, 2021. 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 audit of the financial statements as of December 31, 2020, resulted in an unmodified opinion.

Section I. Summary of Auditor's Reports

a. Report on Internal Control over Financial Reporting and on Compliance and other matters material to the Financial Statements

Internal Control		
Material Weaknesses	___ Yes	_X_ No
Significant Deficiencies	_X_ Yes	__ No
Noncompliance Material to the Financial Statements	___ Yes	_X_ No

Section II. Financial Statement Findings.

2020-001. Inadequate Segregation of Duties

Condition: The Village of Pine Prairie has separate individuals having dual responsibilities for custody and record keeping for revenue transactions.

Criteria: Segregation of duties is critical to effective internal control because it reduces the risk of mistakes and inappropriate actions. It helps fight fraud by reducing collusion. There are four general categories of duties: authorization, custody, recordkeeping and reconciliation. In an ideal system, different employees perform each of these four major functions. In other words, no one person has control of two or more of these responsibilities. The more negotiable an asset is, the greater the need for proper segregation of duties. This is especially the case when dealing with cash, a highly liquid asset. Any department that accepts funds, has access to accounting records, or has control over any type of asset, should be concerned with segregation of duties.

Effect: The Village does not have an adequate segregation of duties, to serve as a check and balance system, to assist in the prevention of erroneously recording transactions or other mistakes or inappropriate actions.

Cause: Segregation of duties is inadequate because of the lack of manpower, i.e., a limited number of personnel.

Recommendation: Within the constraints of a limited number of staff, we recommend a detailed supervisory review of related activities as a compensating control activity. Management needs to take a more active role in achieving segregation of duties, by reviewing the work done by other employees. Sometimes, the knowledge that records will be reviewed by others is enough to prevent misappropriation of assets.

Response: The Village agrees with the finding and the auditor's recommendations have been adopted.

2020-002. Shortage of Security Pledges

Condition: Bank account balances at December 31, 2020 exceeded FDIC Insurance and pledged securities from Investar Bank by $51,022.

Criteria: Under state law, bank deposit balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Village's name.

Cause: The Bank monitors the account balances to determine when more security pledges are necessary.

Effect: At December 31, 2020, the Village had cash in Investar Bank in the amount of $1,597,405 and insurance and security pledges of $1,546,383, resulting in a shortage of pledges in the amount of $51,022.

Recommendation and Response: Management is aware of this inadequacy and will monitor pledged securities more closely to ensure that all deposits are secure.

Section III. Management Letter

None Issued.

VILLAGE OF PINE PRAIRIE
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2020

SECTION I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2019-001. Inadequate Segregation of Duties

Condition: The Village of Pine Prairie has separate individuals having dual responsibilities for custody and record keeping for revenue transactions.

Criteria: Segregation of duties is critical to effective internal control because it reduces the risk of mistakes and inappropriate actions. It helps fight fraud by reducing collusion. There are four general categories of duties: authorization, custody, recordkeeping and reconciliation. In an ideal system, different employees perform each of these four major functions. In other words, no one person has control of two or more of these responsibilities. The more negotiable an asset is, the greater the need for proper segregation of duties. This is especially the case when dealing with cash, a highly liquid asset. Any department that accepts funds, has access to accounting records, or has control over any type of asset, should be concerned with segregation of duties.

Effect: The Village does not have an adequate segregation of duties, to serve as a check and balance system, to assist in the prevention of erroneously recording transactions or other mistakes or inappropriate actions.

Cause: Segregation of duties is inadequate because of the lack of manpower, i.e., a limited number of personnel.

Recommendation: Within the constraints of a limited number of staff, we recommend a detailed supervisory review of related activities as a compensating control activity. Management needs to take a more active role in achieving segregation of duties, by reviewing the work done by other employees. Sometimes, the knowledge that records will be reviewed by others is enough to prevent misappropriation of assets.

Response: The Village agrees with the finding and the auditor's recommendations have been adopted.

Status: This finding is repeated as #2020-001.

VIGE, TUJAGUE & NOEL, CPA'S
P. O. BOX 1005
EUNICE, LA 70535

RE: Management Response

The following are our responses to your recommendations we received in the Village's Audited Financial Statement as of December 31, 2020.

2020-001 Segregation of Duties

> We are aware of and have evaluated this inadequacy and concluded that the related costs vs benefits to be achieved does not justify the additional personnel it would require to establish an adequate segregation of duties. However, we will try to segregate duties as much as possible with the existing staff.

2020-002 Shortage of Security Pledges

> Management is aware of this inadequacy and will monitor pledged securities more closely to ensure that all deposits are secure.

Mayor

Quint West, Mayor