FINANCIAL REPORT OF THE VILLAGE OF PINE PRAIRIE, LOUISIANA FOR THE YEAR ENDED DECEMBER 31, 2024

# TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT1-4	+
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	
Statement of Activities8	
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet11	
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Position12	
Statement of Revenues, Expenditures, and	
Changes in Fund Balances13	
Reconciliation of the Statement of Revenues,	
Expenditures, and Changes in Fund Balances-	
Governmental Funds to the Statement of	
Activities	
Proprietary Fund:	
Statement of Net Position	16
Statement of Revenues, Expenses	
and Changes in Fund Net Position	
Statement of Cash Flows	. (
Notes to the Basic Financial Statements	(
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule:	
General Fund	
Special Revenue Fund	
operative tenses in the second of the second	
Schedule of Employer's Proportionate Share of	
Net Pension Liability 54	
Schedule of Employer's Pension Contributions 55	
Selective of Employer 31 ension contributions	
Notes to the Required Supplementary Information56	
OTHER SUPPLEMENTARY INFORMATION	
Special Revenue Funds:	
Combining Balance Sheet59	
Combining Statement of Revenues,	
Expenditures, and Changes in	
Fund Balances60	

Schedule of Insurance61
Schedule of Meters, Rates & Accounts Receivable62
Schedule of Mayor and Aldermen63
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive
Officer64
Judicial System Funding Schedule - Collecting/Disbursing Entity65
OTHER REPORTS
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
Governmental Auditing Standards67-68
Schedule of Findings & Responses
Schedule of Prior Year Findings71
Management's Corrective Action Plan72

# VIGE, TUJAGUE 🥯 NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2™ 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 Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Pine Prairie, Louisiana as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Village of Pine Prairie, Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Pine Prairie, Louisiana, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

# Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about

the Village of Pine Prairie, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

# Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer pension contributions on pages 51 - 56 be presented to supplement the basic financial statements. Such information is the responsibility of

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

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

#### Supplementary 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. The accompanying combining fund financial statements, the schedule of compensation, benefits, and other payments to agency head, the judicial system funding schedule, and other schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, the schedule of compensation, benefits, and other payments to agency head, the judicial system funding schedule, and other schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic 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 29, 2025, 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 solely to describe the scope of our testing of internal control over financial

reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Pine Prairie, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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 2023 financial statements and, in our report dated May 15, 2024 we expressed unmodified opinions on the respective financial statements of the governmental and business-type activities.

Vige, Tujague & Noel Eunice, Louisiana

May 29, 2025

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

6

Statement of Net Position December 31, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current Assets:			
Cash and Interest-Bearing Deposits	\$ 1,114,363	\$ 77,810	\$ 1,192,173
Receivables, net of \$43,344 allowance	221,168	17,314	238,482
Due From Other Funds		36,944	36,944
Total Current Assets	1,335,531	132,068	1,467,599
Noncurrent Assets:			
Restricted Assets:			
Cash and Interest-Bearing Deposits	15,734	90,722	106,456
Capital Assets, Net	1,879,371	1,018,744	2,898,115
Right of Use Assets, Net	8,226		8,226
Total Noncurrent Assets	1,903,331	1,109,466	3,012,797
Total Assets	3,238,862	1,241,534	4,480,396
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows Related to Pensions	50,708	-	50,708
LIABILITIES:			
Current Liabilities:			
Accounts Payable	15,199	3,376	18,575
Payroll Taxes Payable	15,966	-,	15,966
Accrued Interest Payable	-	515	515
Due To Other Funds	36,944		36,944
Notes Payable	4,091	9,097	13,188
Total Current Liabilities	72,200	12,988	85,188
Noncurrent Liabilities;		,	
Customers' Deposits	-	35,400	35,400
Notes Payable	162,312	331,314	493,626
Net Pension Liability	264,522		264,522
Total Noncurrent Liabilities	426,834	366,714	793,548
Total Liabilities	499,034	379,702	878,736
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pensions	80,265	-	80,265
NET POSITION:			
Invested in Capital Assets, Net of			
Related Debt	1,721,194	678,333	2,399,527
Restricted For:			
Debt Service	15,734	50,425	66,159
Street Projects	793,352		793,352
Unrestricted	179,991	133,074	313,065
Total Net Position	\$ 2,710,271	\$ 861,832	\$ 3,572,103

# Statement of Activities

For the Year Ended December 31, 2024

			Program Revenues						Net (Expense) Revenues and Changes in Net Assets					
Activities		Expenses		Fees, Fines, and Charges for Services		Operating Grants and Contributions		Capital Grants and Contributions		vernmental Activities	Business-Type Activities		Total	
Governmental activities:														
General government	\$	470,351	\$	137,751	\$	-	S	33,828	\$	(298,772)	\$	-	\$	(298,772)
Public safety (Police)		509,052		510,108		-		-		1,056		-		1,056
Streets		302,320		-		-		-		(302,320)		-		(302,320)
Interest on long-term debt		6,946		-				-		(6,946)		-		(6,946)
Total governmental activities		1,288,669		647,859		-		33,828		(606,982)		-		(606,982)
Business-type activities:														
Sewer		143,133		102,984		-		-				(40,149)		(40,149)
Total business-type activities		143,133		102,984		-		-		-		(40,149)		(40,149)
Total primary government	\$	1,431,802	S	750,843	S		\$	33,828		(606,982)		(40,149)		(647,131)
	Tax Inv No	Ad Valorem I Sales Taxes Franchise Tax vestment Earn enemployer pe scellaneous	œs nings	entributions						139,613 264,743 55,006 6,765 6,298 58,141 (31,109)		45		139,613 264,743 55,006 6,810 6,298 58,141
	т	otal general r	evenues	and transfers						499,457		31,154		530,611
			e in net p						_	(107,525)		(8,995)		(116,520)
	Net no	osition-begin	_							2,817,796		870,827		3,688,623
		osition-endin							S	2,710,271	\$	861,832	\$	3,572,103

FUND FINANCIAL STATEMENTS

**GOVERNMENTAL FUNDS** 

Governmental Funds
Balance sheet
December 31, 2024

With Comparative Totals for December 31, 2023

	G	eneral	Special evenue	Gov	Total vernmental Funds	2023 Totals
ASSETS	4111					
Current Assets:						
Cash and Interest-Bearing Deposits	\$	321,011	\$ 793,352	\$	1,114,363	\$ 1,567,678
Ad Valorem Taxes Receivable		61,044	73,201		134,245	122,605
Franchise Tax Receivable		12,960	_		12,960	12,853
Sales Tax Receivable		-	48,001		48,001	45,382
Other Receivables		25,962	-		25,962	7,500
Total Current Assets		420,977	914,554		1,335,531	 1,756,018
Restricted Assets:						
Community Center Reserve Fund		11,454	_		11,454	11,453
Community Center Sinking Fund		3,087	-		3,087	3,087
Community Center Contingency Fund		1,193	-		1,193	1,193
Total Restricted Assets		15,734	-		15,734	15,733
Total Assets	\$	436,711	\$ 914,554	\$	1,351,265	\$ 1,771,751
LIABILITIES AND FUND BALANCES:						
<u>Liabilities:</u>						
Accounts Payable	\$	12,432	\$ 2,767	\$	15,199	\$ 26,175
Payroll Liabilities		15,966	-		15,966	12,070
Due to Other Funds		36,944	-		36,944	36,944
Total Liabilities		65,342	2,767		68,109	75,189
Fund Balances:						
Fund Balances:						
Restricted for:						
Debt Service		-	180,577		180,577	180,559
Street Projects		-	731,210		731,210	899,776
Unassigned		371,369	-		371,369	616,227
Total Fund Balances		371,369	911,787		1,283,156	1,696,562
TOTAL LIABILITIES AND						
FUND BALANCES	\$	436,711	\$ 914,554	\$	1,351,265	\$ 1,771,751

# Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position December 31, 2024

Governmental funds fund balances at December 31, 2024	\$	1,283,156
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.		
Capital assets, net of \$3,719,956 accumulated depreciation	1,879,371	
Right of use assets, net of \$5,484 accumulated amortization	8,226	1,887,597
Long-term liabilities, including bonds payable, are not due and payable		
in the current period and therefore are not reported in the funds.		(166,403)
Amounts related to pension recognition are not due and payable in the		
current period and, therefore, are not reported in the funds		(294,079)
Net position of governmental activities	\$	2,710,271

Governmental Funds

# Combined Statement Of Revenues, Expenditures, And Changes In Fund Balances

For the Year Ended December 31, 2024

With Comparative Totals For the Year Ended December 31, 2023

		General Fund		Special Revenue	(Go	Total vemmental Funds)		2023 Totals
Revenues:								
Taxes: Ad Valorem	\$	67,472	\$	72,141	\$	139,613	\$	140,387
Franchise		55,006		-		55,006		60,187
Sales		-		264,743		264,743		257,311
Licenses		47,751		-		47,751		49,356
Fines and Forfeits		510,108		-		510,108		516,254
Prison Fees		90,000		-		90,000		90,000
Miscellaneous & Grants	1	91,969		-		91,969		48,025
Total Revenues		862,306		336,884		1,199,190		1,161,520
Expenditures:								
Current:								
General Government		408,920		-		408,920		401,024
Public Safety		540,062		-		540,062		464,561
Street Department		-		254,571		254,571		216,675
Capital Outlay		205,908		167,919		373,827		313,403
Debt Service		10,872		-		10,872		10,872
Total Expenditures:	_	1,165,762	_	422,490	_	1,588,252	_	1,406,535
Other Financing Sources / (Uses)								
Donation		-		-		-		128,000
Interest Income		1,357		5,408		6,765		4,873
Insurance Proceeds				-		-		63,019
Operating Transfers In		282,965		194,615		477,580		416,140
Operating Transfers Out		(225,724)		(282,965)		(508,689)	-	(471,788)
Total Other Financing								
Sources/(Uses)	_	58,598	_	(82,942)	_	(24,344)	_	140,244
Net Change in Fund Balances		(244,858)		(168,548)		(413,406)		(104,771)
Fund Balance, Beginning Of Year		616,227		1,080,335		1,696,562	_	1,801,333
Fund Balance, End Of Year	\$	371,369	\$	911,787	\$	1,283,156	\$	1,696,562

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

For the Year Ended December 31, 2024

Net change i	in	fund	balances-total	governmental	funds
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\$ (413,406)

3,926

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 (\$373,827) exceeded depreciation (\$138,421) and amortization (\$2,742) in the current year.

Capital outlay	235,406				
Right of use assets	(2,742)	232,664			

# Disposal of capital outlay

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Net effect of pension liability recognition 69,291

Change in net position of governmental activities \$ (107,525)

# PROPRIETARY FUND

# Proprietary Fund Statement of Net Position December 31, 2024

With Comparative Totals for December 31, 2023

#### ASSETS:

	200	2 <u>4</u>	<u>2023</u>		
Current Assets:					
Cash and Interest-Bearing Deposits	\$	77,810	\$	81,521	
Accounts Receivable, Net of Allowance for Uncollectible					
(2024 - \$40,787; 2023 - \$40,233)		17,314		10,231	
Due from General Fund		36,944		36,944	
Total Current Assets		132,068		128,696	
Restricted Assets:					
Cash on Deposit for:					
Note Sinking Fund		6,195		6,194	
Note Reserve Fund		21,893		20,715	
Note Contingency Fund		22,337		21,159	
CDBG Fund		12		12	
Customers' Deposits		40,285		38,614	
Total Restricted Assets		90,722		86,694	
Long-Tenn Assets:					
Fixed Assets, Net of Accumulated Depreciation					
(2024 - \$1,387,982; 2023 - \$1,332,370)	1,0	018,744		1,043,724	
Total Long-Term Assets	1,0	018,744		1,043,724	
TOTAL ASSETS	\$ 1,2	241,534	\$	1,259,114	

# (Continued)

# Proprietary Fund

# Statement of Net Position (Continued)

# December 31, 2024

With Comparative Totals for December 31, 2023

#### LIABILITIES:

	2024	2023
Current Liabilities:		
Accounts Payable	\$ 3,376	\$ 3,678
Accrued Interest Payable	515	528
Notes Payable	9,097	8,719
Total Current Liabilities	12,988	12,925
Noncurrent Liabilities:		
Customers' Deposits	35,400	34,950
Notes Payable	331,314	340,412
Total Noncurrent Liabilities	366,714	375,362
Total Liabilities	379,702	388,287
NET POSITION:		
Invested in capital assets, net of related debt	678,333	694,593
Restricted for:		
Debt Service	50,425	48,068
Unrestricted	133,074	128,166
Total Net Position	\$ 861,832	\$ 870,827

Statement of Revenues, Expenses, And Changes In Fund Net Position Proprietary Fund

For the Year Ended December 31, 2024

With Comparative Totals For the Year Ended December 31, 2023

	2024	2023
Operating Revenues:		
Charges for Services—Sewer Fees	\$ 102,984	\$ 99,183
Miscellaneous		10
Total Operating Revenues	102,984	99,193
Operating expenses:		
Dues & Fees	11,830	13,824
Depreciation Expense	55,612	54,726
Office Expense	2,594	2,301
Repairs and Maintenance	24,997	36,410
Miscellaneous	.19,858	9,775
Utilities	13,586	12,703
Total operating expenses	128,477	129,739
Operating income (loss)	(25,493)	(30,546)
Non-operating revenues/(expenses):		
Interest Revenue	45	44
Interest Expense	(14,656)	(15,019)
Insurance Proceeds	-	36,944
Total non-operating revenues/(expenses)	(14,611)	21,969
Transfers in (out):		
Operating Transfers In	31,109	55,648
Operating Transfer Out		
Total transfers in (out)	31,109	55,648
Change in net position	(8,995)	47,071
Net Position, BEGINNING OF YEAR	870,827	823,756
Net Position, END OF YEAR	\$ 861,832	\$ 870,827

# Proprietary Fund Statement Of Cash Flows For the Year Ended December 31, 2024

ash flows from operating activities:		
Receipts from customers	\$	95,901
Payments to suppliers		(73,167)
Net cash provided (used) by operating activities	_	22,734
ash flows from noncapital financing activities:		
Cash received from other funds	1	31,109
Net eash provided by noncapital financing activities		31,109
ash flows from capital and related financing activities:		
Note principal payments		(8,720)
Payments for plant and equipment		(30,632)
Increase/(Decrease) in customers' deposits payable		450
Net cash used for capital and related financing activities		(38,902)
ash flows from investing activities:		
Interest received		45
Interest paid		(14,669)
Net cash used for investing activities		(14,624)
et increase (decrease) in cash and cash equivalents		317
ash and cash equivalent, beginning of year		168,215
ash and cash equivalent, end of year	\$	168,532

Proprietary Fund
Statement Of Cash Flows (continued)
For the Year Ended December 31, 2024

Reconciliation of operating loss to net cash		
provided by operating activities:		
Operating loss	\$	(25,493)
Adjustments to reconcile operating loss to		
net cash provided by/(used for) operating activities:		
Depreciation		55,612
Changes in current assets and liabilities:		
(Increase)/Decrease in accounts receivable		(7,083)
Increase/(Decrease) in accounts payable		(302)
Net cash provided (used) by operating activities	\$	22,734
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet: Cash and cash equivalents, beginning of year		1.2
Cash –unrestricted	\$	81,521
Cash —restricted		86,694
Total cash and cash equivalents, beginning of year	_	168,215
Cash and cash equivalents, end of year		
Cash—unrestricted		77,810
Cash restricted		90,722
Total cash and cash equivalents, end of year		168,532
Net Increase (Decrease)	\$	317

NOTES TO THE FINANCIAL STATEMENTS

#### VILLAGE OF PINE PRAIRIE, LOUISIANA

Notes to the Financial Statements December 31, 2024

#### 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, <u>Audits of State and Local Governmental Units</u>, 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 eamed, 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. Assets, Liabilities, and Equity

#### Cash and Cash Equivalents

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.

 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 cither (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.

# E. <u>Revenues, Expenditures, and Expenses</u>

#### 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:

50% for funding operations and capital improvements of the Village and 50% shall be dedicated and used exclusively for the purpose of construction, maintenance and repair of public streets and roadways within the Village and authority to fund the proceeds of the Tax into bonds for the purposes stated herein and related capital improvements within the Village in the manner provided by law.

The two percent (2%) sales tax is effective April 1, 2019, for a period of ten years.

# 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, 2024.

#### 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 financial statements presents cash and cash equivalents at the beginning and cod 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, 2024, the 2024 tax roll taxes of 23.03 mills were levied on property with assessed valuations totaling \$6,062,250 and were dedicated as follows:

General Corporate Purposes	6.17	Mills
Street Maintenance	6.94	Mills
Street Construction	4.96	Mills
Police Protection	1.98	Mills
Recreation	2.98	Mills
Total	23.03	

Total taxes levied were \$139.613.

#### 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. 96, Subscription-Based Information Technology Arrangements – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government and users (governments). This Statement (1) defines SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 and were applied to the current year.

Statement No. 101, Compensated Absences – This Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. This Statement had no effect on the Village for the year ended December 31, 2024.

#### NOTE E - CAPITAL AND RIGHT TO USE ASSETS

The Village implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), requiring the recognition of a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability for subscription related payments that were previously expensed. It also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA.

Capital asset activity for the year ended December 31, 2024, is as follows:

	Balance	Balance		Balance
	12/31/2023	Additions	Retirements	12/31/2024
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 211,732	\$ -	\$ -	\$ 211,732
Construction in progress, park	-	20,366	-	20,366
Capital assets being depreciated:				
Machinery and Equipment	991,131	132,821	_	1,123,952
Improvements	2,929,343	220,640	_	3,149,983
Buildings	1,093,294			1,093,294
Total capital assets:	5,225,500	373,827	-	5,599,327
Less accumulated depreciation:				
Machinery and Equipment	(681,403)	(62,335)		(743,738)
Improvements	(2,378,447)	(50,427)	-	(2,428,874)
Buildings	(521,685)	(25,659)	_	(547,344)
Total accumulated depreciation	(3,581,535)	(138,421)	_	(3,719,956)
Right to use assets:				
Subscription	13,710	-	_	13,710
Total right to use assets	13,710		-	13,710
Less accumulated amortization			-	
Subscription	(2,742)	(2,742)		(5,484)
Total accumulated amortization	(2,742)	(2,742)		(5,484)
Governmental activities capital and right				
to use assets, net	\$1,660,417	\$ 232,664	<u> </u>	\$1,887,597
Business type activities:				
Capital assets not being depreciated:				
Land	\$ 121,125	\$ -	\$ -	\$ 121,125
Capital assets being depreciated:				
Machinery and Equipment	2,254,967	30,632		2,285,599
Total capital assets	2,376,092	30,632		2,406,724
Less accumulated depreciation:				
Machinery and Equipment	(1,332,368)	(55,612)		(1,387,980)
Total accumulated depreciation	(1,332,368)	(55,612)		(1,387,980)
Business type activities capital assets, net	\$1,043,724	\$ (24,980)	<u>s -</u>	\$1,018,744

Depreciation expense was charged to functions as follows:

Governmental activities:		
General government	\$	27,741
Public safety (Police)		31,983
Recreation		30,948
Streets		47,749
Total governmental activities	_	138,421
Business-type activities:		
Sewer utility		55,612
Total business-type activities		55,612
Total depreciation expense	\$	194,033

Amortization of the right to use SBITA asset is computed by the straight-line method over the life of the subscription period including renewals. Amortization of the right to use SBITA asset totaled \$2,742 for the year ended December 31, 2024, and is reported within depreciation/amortization under operating expenses in the Statement of Revenues, Expenses and Changes in Net Position.

The Village entered into a Subscription-Based Information Technology Arrangement with Digital Ally on January 1, 2023 for a period of five years. The Village paid the total subscription cost in full, upon activation; therefore, there is no subscription liability.

#### NOTE F-LONG-TERM LIABILITIES

#### **Long-Term Liability Activity:**

Long-term liability activity for the year ended December 31, 2024, was as follows:

		alance 31/2023	Addit	ions	Retirements		Balance 12/31/2024		Due in	
Governmental Activities:										
Bonds Payable:										
General Fund	\$	170,329	\$	-	\$	3,926	\$	166,403	\$	4,091
Total Governmental Activities:		170,329		-		3,926	_	166,403		4,091
Business-Type Activities:										
Notes Payable	40.1	349,131	1	-		8,720		340,411		9,097
Total Business-Type Activities:		349,131		-		8,720		340,411		9,097
Total Government	\$	519,460	\$		\$	12,646	\$	506,814	\$	13,188

#### 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, 2024.

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

	Principal	Interest
Year Ended	<b>Amounts</b>	<b>Amounts</b>
2025	4,091	6,781
2026	4,263	6,609
2027	4,442	6,430
2028	4,629	6,243
2029	4,824	6,048
2030-2034	27,336	27,024
2035-2039	33,585	20,775
2040-2044	41,264	13,096
2045-2049	41,969	3,638
	\$ 166,403	\$ 96,644

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:

	Principal	Interest
Year Ending	Amounts	Amounts
2025	9,097	14,292
2026	9,491	13,898
2027	9,903	13,486
2028	10,332	13,057
2029	10,780	12,609
2030-2034	61,324	55,621
2035-2039	75,816	41,129
2040-2044	93,729	23,216
2045-2047	59,939	3,645
Total	\$ 340,411	\$ 190,953

#### 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 adequately collateralized at December 31, 2024.

	Interest Bearing	Non-interest Bearing
December 31, 2024		
Investar Bank	\$ 1,115,366	\$ 193,380
Less Amount Insured by FDIC	(250,000)	(250,000)
	865,366	(56,620)
Less Amount Collateralized with an		
FHLB Letter of Credit	(1,400,000)	
(Over)/Under Collateralized Bank Balances		
December 31, 2024	\$ (534,634)	\$ (56,620)

#### NOTE H - INTERFUND RECEIVABLES, PAYABLES

The interfund receivables and payables at December 31, 2024 are as follows:

	Interfund <u>Receivables</u>	Interfund <u>Payables</u>
General Fund		
Due to Sewer Fund	\$ -	\$ 36,944
Proprietary Fund		
Due from General Fund	36,944	-
Totals	\$ 36,944	\$ 36,944

#### 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	E	penses
Quint West (Mayor)	\$ 26,400	\$	8,400
Gilbert Bordelon	5,400		4,200
Tammy H. Buxton	5,400		4,200
Kevin Rodriguez	5,400		4,200
Total	\$ 42,600	\$	21,000

#### 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-officion member during his tenure; one of whom shall be the Chairman of the Senate Retirement Committee; and one of whom shall he 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 halance. 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. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the system has been terminated for at least one full year.

A member is cligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination

of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate. If the member elects a money market investment account the funds are transferred to a government money market account. Pursuant to Act 78 of the 2019 Regular Session of the Louisiana Legislature, DROP members can self-direct their DROP funds. For those members who elected to self-direct their DROP funds the System transferred lump sum distributions to the stable value fund of Empower Retirement. Empower Retirement acts as an agent of the System to allow participants to self-direct the investment of their lump sum balances. Participants can irrevocable elect to participate in the self-direct portion of the program. If they do so, they can invest in Vanguard Lifestrategy Funds through Empower Retirement.

#### **Initial Benefit Option Plan**

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria

as DROP

Statutes should be read for more detail on eligibility and benefit provisions.

#### **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 hy 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, 2024 the employer contribution rate for MERS Plan B was 15.50% for January through June and 14.00% for July through December, and MPERS was 33.925% from January through June and 35.60% from July through December.

Employer contributions to MERS and MPERS were \$23,772 and \$24,891, respectively, for the year ended December 31, 2024. 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-bazardous 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, 2024, the Village of Pine Prairie recognized revenue as a result of support received from non-employer contributing entities of \$6,298 for its participation in MERS and \$4,489 for its participation in MPERS.

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

At December, 2024, the Village of Pinc Prairie reported a liability for MERS and MPERS of \$108,156 and \$156,366, respectively, for its proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2024, 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, 2024, the Village of Pine Prairie's proportion for MERS and MPERS was 0.178247% and 0.017259%, respectively. This reflects a decrease for MERS and a increase for MPERS of 0.011146% and 0.114732%, respectively, from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Village of Pine Prairie recognized net pension liability, for which there were no forfeitures, as follows:

	Net Pension	1
MERS	Liability \$ 108,156	-
MPERS	156,366	,
	\$ 264,522	,
		_

At December 31, 2024, the Village of Pine Prairie reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	D	eferred (	Out	flows of	Res	ources		Deferred	In	flows of Re	esc	urces
		MERS	N	1PERS		Total		MERS	]	MPERS		Total
Differences between expected												
and actual experience	\$	1,025	\$	8,466	\$	9,491	S	(885)	\$	(4,730)	S	(5,615)
Changes in assumptions		-		-		-		(4,026)				(4,026)
Net difference between projected and actual earnings on pension												
plan investments		3,893		4,347		8,240		-		-		
Changes in proportion and differences between employer contributions and												
proportionate share of contributions		-		10,301		10,301		(17,204)		(53,420)		(70,624)
Employer contributions subsequent												
to measurement date		11,115		11,561		22,676		-		-		
Total	\$	16,033	\$	34,675	\$	50,708	\$	(22,115)	\$	(58,150)	\$	(80,265)

During the year ended December 31, 2024, employer contributions totaling \$11,115 and \$11,561 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, 2024. 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
2025	\$ (13,996)	\$ (17,767)
2026	4,676	6,299
2027	(3,226)	(19,461)
2028	(2,441)	(2,743)
Total	\$ (14,987)	\$ (33,672)

#### **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, 2024 are as follows:

	MI	ERS Plan B	MPERS		
Total Pension Liability	\$	543,491	\$	647,216	
Plan Fiduciary Net Position		(435,335)		(490,856)	
Total Net Pension Liability	\$	108,156	\$	156,360	
Plan Fiduciary Net Position as a					
Percentage of Total Pension Liability		80.10%		75.84%	

The Village of Pine Prairie's allocation is 0.178247% of the Total Net Pension Liability for MERS and 0.017259% of the Total Net Pension Liability for MPERS.

The total pension liabilities for MERS and MPERS in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

	MERS	M	PERS	
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	6.85%, net of investment expense	6.75%, net of investment expense		
Inflation rate	2.500%	2.500%		
Projected salary increases			Salary	
1 - 2 years of service	9.50%	Years of	Growth	
>2 years of service	4.60%	Service	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 perform by actuary on plan data for period July 1, 2009 - June 30, 2014 comments 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, 2014 through June 30, 2019.

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 6.85% and MPERS is 6.75% for the year ended June 30, 2024.

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, 2023 are summarized in the following table:

Asset Class	Target A	llocations		Long-Term Expected Real Rate of Return			
	MERS	MPERS	MERS	MPERS			
Equity	56%	52.0%	2.44%	3.11%			
Fixed Income	29%	34.0%	1.26%	1.07%			
Alternatives	15%	14,0%	0.65%	1.03%			
Other	0%	0%	0.00%	0.00%			
Total	100%	100%	4.35%	5.24%			
Inflation			2.50%	2.62%			
Expected Nominal Return			6.85%	7.86%			

#### Discount Rates

The discount rate used to measure the total pension liability for MERS was 6.85% and MPERS was 6.75%. 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 6.85% for MERS and 6.75% 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:

ument		
iscount	1%	Increase
108,156	S	98,587
156,366		166,769
264,522	\$	265,356
	108,156 156,366	108,156 \$ 156,366

#### Payables to the Pension Plans

At June 30, 2024, payables to MERS and MPERS were \$2,367 and \$2,423 respectively.

#### 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 \$29,260 and the related expenditure is recorded in police payroll expense.

#### NOTE L - SUBSEQUENT EVENTS

The Village has evaluated subsequent events through May 29, 2025, 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, 2024

		Buc	lget				V	Budget ariance ositive/
	Ori	ginal	B	Final		Actual	(1	legative)
Revenues:								
Taxes: Ad valorem	S	64,000	\$	64,000	\$	67,472	\$	3,472
Franchise		61,000		51,000		55,006		4,006
Licenses		54,000		51,000		47,751		(3,249)
Fines and Forfeits	5	15,000		515,000		510,108		(4,892)
Prison Fees		-		82,500		90,000		7,500
Miscellaneous & Grants		39,000		29,000	1	91,969		62,969
Total Revenues	7	33,000		792,500		862,306		69,806
Expenditures:								
Current:								
General Government	4	05,400		474,400		408,920		65,480
Public Safety	5	05,000		576,000		540,062		35,938
Capital Outlay		5,000		280,000		205,908		74,092
Debt Service		11,000		11,000		10,872		128
Total Expenditures:	9	26,400		1,341,400		1,165,762		175,638
Other Financing Sources / (Uses)								
Interest Income		1,000		200		1,357		1,157
Operating Transfers In	2	241,000		260,000		282,965		22,965
Operating Transfers Out	(	73,000)		(190,000)		(225,724)		(35,724)
Total Other Financing Sources/(Uses)	1	69,000	_	70,200		58,598	_	(11,602)
Net change in fund balances	\$ (	24,400)	\$	(478,700)		(244,858)	\$	233,842
Fund Balance, Beginning Of Year						616,227		
Fund Balance, End Of Year					\$	371,369		

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, 2024

				Budget Variance
	Bud	lget		Positive/
	Original	<u>Final</u>	Actual	(Negative)
Revenues:				
Taxes: Ad Valorem	\$ 65,000	\$ 65,000	\$ 72,141	\$ 7,141
Sales	255,000	250,000	264,743	14,743
Miscellaneous	1,000	_		
Total Revenues	321,000	315,000	336,884	21,884
Expenditures:				
Current:				
Street Department	341,125	270,125	254,571	15,554
Capital Outlay	130,000	186,000	167,919	18,081
Total Expenditures:	471,125	456,125	422,490	33,635
Other Financing Sources / (Uses)				
Interest Income	500	600	5,408	4,808
Operating Transfers In	147,000	178,000	194,615	16,615
Operating Transfers Out	(241,000)	(320,000)	(282,965)	37,035
Total Other Financing Sources/(Uses)	(93,500)	(141,400)	(82,942)	58,458
Net Change in Fund Balances	\$ (243,625)	\$ (282,525)	(168,548)	\$ 113,977
Fund Balance, Beginning Of Year			1,080,335	
Fund Balance, End Of Year			\$ 911,787	

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

#### VILLAGE OF PINE PRAIRIE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability Year Ended December 31, 2024

	Fiscal Year	Employer Proportionate Share of the Net Pension Liability (Asset)	Pro Sh Ne	imployer portionate are of the at Pension Liability (Asset)	7-	overed Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of It's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
MERS	2024	0.178247	\$	108,156	STATE OF THE PARTY OF	170,873	63.29%	80.10%
MERS	2023	0.189393	\$	151,868	\$	162,555	93.42%	73.25%
MERS	2022	0.230711	\$	202,560	\$	185,483	109.20%	69.56%
MERS	2021	0.230472	\$	133,514	\$	177,122	75.38%	79.14%
MERS	2020	0.259770	\$	235,410	S	190,948	123.28%	66.26%
MERS	2019	0.236533	\$	206,922	\$	180,821	114.43%	66.14%
MERS	2018	0.253512	\$	214,429	\$	182,767	117.32%	65.60%
MERS	2017	0.326890	\$	282,836	\$	222,646	127.03%	63.49%
MERS	2016	0.270269	\$	224,028	\$	182,967	122.44%	63.38%
MERS	2015	0,252165	\$	171,383	\$	174,968	97.95%	68.71%
MPERS	2024	0.017259	\$	156,366	\$	59,616	262.29%	75.84%
<b>MPERS</b>	2023	0.023919	\$	252,703	\$	81,031	311.85%	71.30%
<b>MPERS</b>	2022	0.021392	\$	218,664	\$	64,086	341.20%	70.80%
<b>MPERS</b>	2021	0.000000	\$	141,036	\$	85,481	164.99%	84.09%
<b>MPERS</b>	2020	0.038576	\$	356,532	\$	115,940	307.51%	70.94%
MPERS	2019	0.040205	\$	365,129	\$	125,091	291.89%	71.01%
<b>MPERS</b>	2018	0.029721	\$	251,263	\$	85,351	294.38%	71.89%
<b>MPERS</b>	2017	0.014600	\$	127,464	\$	43,777	291.16%	70.08%
<b>MPERS</b>	2016	0.024026	\$	225,191	\$	65,052	346.17%	66.04%
MPERS	2015	0.031773	\$	248,908	\$	84,990	292.87%	70.73%

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 Contribution Year Ended December 31, 2024

	Fiscal Year	R	stractually equired stribution	in to C R	tributions Relation ontractual equired stribution	Defic	ibution ciency cess)	E	nployer's Covered mployee Payroll	Contributions as a Percent of Covered Employee Payroll
MERS	2024	\$	23,772	\$	23,772	\$	-	\$	161,050	14.76%
MERS	2023	S	25,023	\$	25,023	\$		\$	161,440	15.50%
MERS	2022	\$	26,890	\$	26,890	\$	-	\$	173,483	15.50%
MERS	2021	\$	26,600	\$	26,600	\$	-	\$	171,611	15.50%
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	\$	-	S	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	S	17,437	\$		\$	183,548	9.50%
MPERS	2024	S	24,891	s	24,891	\$		\$	71,765	34.68%
MPERS	2023	\$	15,925	\$	15,925	\$	-	\$	49,117	32.42%
MPERS	2022	\$	26,573	\$	26,573	\$	-	\$	86,625	30.68%
<b>MPERS</b>	2021	\$	22,394	\$	22,394	\$	-	S	70,249	31.87%
MPERS	2020	\$	32,178	\$	32,178	\$	-	\$	96,343	33.40%
<b>MPERS</b>	2019	\$	42,191	\$	42,191	\$	-	\$	130,320	32.37%
<b>MPERS</b>	2018	\$	34,924	\$	34,924	\$	-	\$	110,627	31.60%
<b>MPERS</b>	2017	\$	18,486	\$	18,486	\$	-	\$	58,476	31.61%
MPER\$	2016	\$	16,071	\$	16,071	\$	-	\$	52,660	30.52%
<b>MPERS</b>	2015	\$	25,549	\$	25,549	\$	-	\$	81,110	31.50%

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, 2024

#### (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, 2024

ASSETS:	Street Maintenance <u>Tax Fund</u>		Street Construction <u>Tax Fund</u>		Sales Tax <u>Fund</u>		<u> Totals</u>
Cash and Interest-Bearing Deposits Ad Valorem Taxes Receivable Sales Tax Receivable	\$	6,540 42,023	\$	106,412 31,178	\$	680,400 - 48,001	\$ 793,352 73,201 48,001
Total Assets	\$	48,563	\$	137,590	\$	728,401	\$ 914,554
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Accounts Payable	\$	2,767	\$	-	S	-	\$ 2,767
Total Liabilities		2,767		-		-	2,767
Fund Balances:							
Restricted for:							
Debt Service		-		-		180,577	180,577
Street Projects		45,796		137,590		547,824	731,210
Total Fund Balances		45,796		137,590		728,401	 911,787
Total Liabilities and Fund Balances	\$	48,563	\$	137,590	5	728,401	\$ 914,554

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, 2024

Revenue:	Mair	Street ntenance <u>x Fund</u>	Con	Street struction ax Fund	Sales Tax Fund	<u>Totals</u>
Tax Sales	\$		\$		\$ 264,743	\$ 264,743
Ad valorem	9	42,072	9	30,069	\$ 204,743	72,141
Total Revenues		42,072		30,069	264,743	336,884
Expenditures:						
Current:						
Street Department		57,157		-	197,414	254,571
Capital Outlay		12,577	_	69,858	85,484	167,919
Total Expenditures	_	69,734	_	69,858	282,898	422,490
Other Financing Sources/(Uses)						
Interest Income		-		12	5,396	5,408
Operating Transfer In		18,409		-	176,206	194,615
Operating Transfer Out		_		-	(282,965)	(282,965)
Total Other Financing Sources/(Uses)		18,409	_	12	(101,363)	(82,942)
EXCESS (DEFICIENCY) OF REVENUES						
AND OTHER SOURCES OVER						
EXPENDITURES AND OTHER						
FINANCING SOURCES/(USES)		(9,253)		(39,777)	(119,518)	(168,548)
FUND BALANCE, BEGINNING OF YEAR		55,049	_	177,367	847,919	1,080,335
FUND BALANCE, END OF YEAR	\$	45,796	\$	137,590	\$ 728,401	\$ 911,787

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

#### VILLAGE OF PINE PRAIRIE SCHEDULE OF INSURANCE December 31, 2024

		<b>EXPIRATION</b>
TYPE	<b>AMOUNT</b>	DATE
Automobile Liability	\$ 500,000	5/1/2025
Commercial General Liability	500,000	5/1/2025
Law Enforcement Officer's		
Comprehensive Liability	500,000	5/1/2025
Public Officials' Errors and Omissions		
Liability	500,000	5/1/2025
Worker's Compensation	500,000	1/1/2025
Commercial Property		
Building, Contents, & Equipment	3,370,000	10/3/2025
Fidelity Bond - Public Employees	125,000	5/16/2025
Vehicle Physical Damage	235,553	6/15/2025

## VILLAGE OF PINE PRAIRIE SCHEDULE OF METERS AND RATES AND ACCOUNTS RECEIVABLE December 31, 2024

Accounts Receivables were aged as follows:

0-30  days	\$ 15,297
31 - 60  days	2,017
Over 60 days	40,787
	\$ 58,101
	with a second second

The Village's monthly sewer rates at December 31, 2024 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, 2024, the Village had 356 residential customers and 3 commercial customers and 3 school customers on its sewer system.

#### VILLAGE OF PINE PRAIRIE SCHEDULE OF MAYOR AND ALDERMEN December 31, 2024

#### Current officials of the Village are as follows:

Name_	Address/Telephone	<u>Term</u>
Quint West, Mayor	P.O. Box 424 Pine Prairie, LA 70576 337-599-2898	1/1/21 – 12/31/24
Tammy H. Buxton, Council Member	P.O. Box 185 Pine Prairie, LA 70576 337-599-2014	1/1/21 - 12/31/24
Kevin Rodriguez, Council Member	P.O. Box 532 Pine Prairie, LA 70576 337-224-0274	1/1/21 – 12/31/24
Gilbert Bordelon, Council Member	P.O. Box 246 Pine Prairie, LA 70576 337-523-1036	1/1/21 – 12/31/24

#### VILLAGE OF PINE PRAIRIE

#### Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer December 31, 2024

Agency Head Name: James Q. West, Mayor

Service Period: 12 Months

Purpose	Amount
Salary	\$26,400
Expense allowance	8,400
Telephone allowance	600
Benefits - retirement	3,894
	\$39,294

#### 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, 2024

	First Six Month Period Ended 06/30/2024		Second Six Month Period Ended 12/31/2024	
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$	6,337	\$	8,232
Add: Collections				
Bond Fees		7,300		3,400
Criminal Fines - Other		279,334		229,276
Subtotal Collections		286,634		232,676
Less: Disbursements To Governments & Nonprofits:				
LA Comm on Law Enforcement - Criminal Fines Other		2,132		2,038
LA Supreme Court - Criminal Fines Other		544		520
Treasurer, State of LA CMS - Criminal Fines Other		1,088		1,040
DHH-TH/SCI T.F Criminal Fines Other		5,440		5,200
Acadiana Crime Lab - Criminal Fines Other		32,970		31,420
Less: Amounts Retained by Collecting Agency				
Criminal Fines Other		242,565		196,536
Less: Disbursements to Individuals/3rd Party Collection or Pr	ocessir	ıg Agencies		
Subtotal Disbursements/Retainage		284,739		236,754
Total: Ending Balance of Amounts Collected but not	•			
Disbursed/Retained (i.e. cash on hand)	\$	8,232	\$	4,154

OTHER REPORTS

#### VIGE, TUJAGUE 🥯 NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2™ 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, 2024, 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 29, 2025.

#### Report on 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 item #2024-001, that we consider to be a significant deficiency.

#### Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item #2024-001.

#### Village of Pine Prairie, Louisiana's Response to Findings

Village of Pine Prairie, Louisiana's response to the finding 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
Eunice, Louisiana

May 29, 2025

### VILLAGE OF PINE PRAIRIE SCHEDULE OF FINDINGS AND RESPONSES For the Year Ended December 31, 2024

We have audited the basic financial statements of the Village of Pine Prairie, Louisiana as of and for the year ended December 31, 2024, and have issued our report thereon dated May 29, 2025. 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, 2024, 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
Significant Deficiencies

Noncompliance Material to the
Financial Statements

Yes X No

Yes X No

### Section II. Financial Statement Findings.

### 2024-001. 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.

## VILLAGE OF PINE PRAIRIE SCHEDULE OF FINDINGS AND RESPONSES (Continued) For the Year Ended December 31, 2024

**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.

Section III. Management Letter

None Issued.

### VILLAGE OF PINE PRAIRIE SCHEDULE OF PRIOR YEAR FINDINGS For the Year Ended December 31, 2024

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

2023-001. 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 #2024-001.

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, 2024.

2024-001 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.

Quint West, Mayor

# VILLAGE OF PINE PRAIRIE, LOUISIANA STATEWIDE AGREED-UPON PROCEDURES REPORT YEAR ENDED DECEMBER 31, 2024

### VIGE, TUJAGUE 🥯 NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2™ 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 ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management and Board of Commissioners of the Village of Pine Prairie, Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. Village of Pine Prairie, Louisiana's management is responsible for those C/C areas identified in the SAUPs.

Village of Pine Prairie, Louisiana has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### 1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - Budgeting, including preparing, adopting, monitoring, and amending the budget.
  - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

- iii. Disbursements, including processing, reviewing, and approving.
- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. Credit Cards (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

### 2) Board or Finance Committee

No exceptions in year one of testing cycle. Not required to test in current year.

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
  - Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budgetto-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.
  - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

### 3) Bank Reconciliations

No exceptions in year one of testing cycle. Not required to test in current year.

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

### 4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
  - Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., prenumbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
  - i. Observe that receipts are sequentially pre-numbered.
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.
  - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - v. Trace the actual deposit per the bank statement to the general ledger.

### 5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
  - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - At least two employees are involved in processing and approving payments to vendors;

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
- Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
  - Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

### 6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

This section is not applicable since the Village does not have or use credit cards.

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
  - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

No exceptions in year one of testing cycle. Not required to test in current year.

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

- If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
- If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### 8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
  - Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
  - Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if

- approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

### 9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

### 10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
    - All employees selected for testing have documentation to demonstrate that the required hour of ethics training was completed during the calendar year.
  - b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
    - There were no changes made to the entity's ethics policy during the fiscal period.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

An ethics designee has been appointed.

### 11) Debt Service

No exceptions in year one of testing cycle. Not required to test in current year.

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

#### 12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

### 13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
  - 1. Hired before June 9, 2020 completed the training; and
  - 2. Hired on or after June 9, 2020 completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

### 14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
  - Number and percentage of public servants in the agency who have completed the training requirements;
  - Number of sexual harassment complaints received by the agency;

- Number of complaints which resulted in a finding that sexual harassment occurred;
- Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

#### Management's Response

Management of the Village of Pine Prairie, Louisiana concurs with the exceptions and is working to address the deficiencies identified.

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

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

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

Vige, Jujague & Noel

Eunice, Louisiana

May 29, 2025