

VILLAGE OF PLEASANT HILL, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date AUG 07 2013

Marsha O. Millican, APAC
A Professional Accounting Corporation
Shreveport, Louisiana

VILLAGE OF PLEASANT HILL, LOUISIANA

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

The Honorable Bill Thomas, Mayor
and Members of the Board of Aldermen
Village of Pleasant Hill, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Pleasant Hill, Louisiana, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Pleasant Hill, Louisiana, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 9 and budgetary information on page 27 be presented to supplement the basic financial statements. Such information 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation paid to Mayor and Board of Aldermen on page 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of compensation paid to the Mayor and Board of Aldermen is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated July 9, 2013 on my consideration of Village of Pleasant Hill, Louisiana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Pleasant Hill, Louisiana's internal control over financial reporting and compliance.



Certified Public Accountant

July 9, 2013

VILLAGE OF PLEASANT HILL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2012

The Management's Discussion and Analysis of the Village of Pleasant Hill's financial performance presents a narrative overview of the Village of Pleasant Hill's financial activities for the year ended December 31, 2012. The document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Village's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Governmental Activities

- 1) Village of Pleasant Hill had cash of \$261,719 at December 31, 2012, which represents an increase increase of \$22,399 from prior year end.
- 2) Village of Pleasant Hill had taxes and grants receivable of \$16,096 at December 31, 2012, which represents a decrease of \$5,189 from prior year end.
- 3) Village of Pleasant Hill had accounts payable and accruals of \$6,109 at December 31, 2012, which represents a decrease of \$2,946 from the prior year end.
- 4) Village of Pleasant Hill had total revenues of \$205,353 for the year ended December 31, 2012, which represents an decrease of \$30,466 from prior year.
- 5) Village of Pleasant Hill had total expenses of \$ 147,705 for the year ended December 31, 2012, which represents a decrease of \$23,083 from prior year.
- 6) Village of Pleasant Hill had no capital improvements for the year ended December 31, 2012.

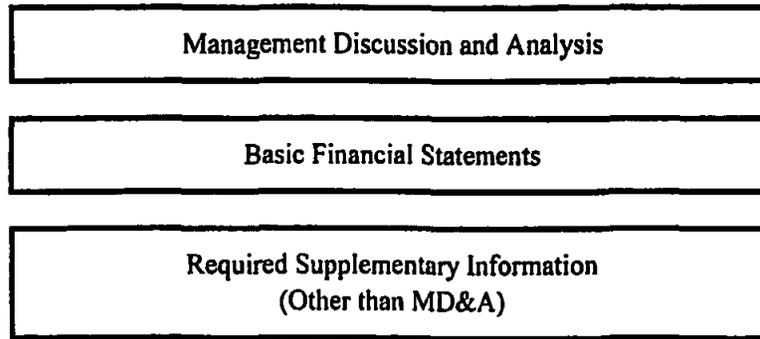
Business-Type Activities

- 1) Village of Pleasant Hill had cash of \$137,956 for the year ended December 31, 2012, which represents a decrease of \$4,524 from prior year.
- 2) Village of Pleasant Hill had accounts receivable of \$11,956 for the year ended December 31, 2012, which represents an increase of \$865 from prior year.
- 3) Village of Pleasant Hill had accounts payable and accruals of \$4,344 for the year ended December 31, 2012, which represents a decrease of \$429 from prior year.
- 4) Village of Pleasant Hill had total revenues of \$129,152 for the year ended December 31, 2012, which represents a decrease of \$9,663 from prior year.
- 5) Village of Pleasant Hill had total expenses of \$219,619 for the year ended December 31, 2012, which represents an increase of \$33,572 from prior year.
- 6) Village of Pleasant Hill had capital asset improvements of \$33,639 for the year ended December 31, 2012.

VILLAGE OF PLEASANT HILL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2012

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Village of Pleasant Hill as established by Governmental Accounting Standards Board Statement 34. Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10 and 11 provide information about the activities of the Village of Pleasant Hill as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Reporting the Village as a Whole

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the Village's finances is, "Is the Village as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

VILLAGE OF PLEASANT HILL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2012

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

These two statements report the Village's net position and changes in them. You can think of the Village's net position, the difference between assets and liabilities, as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the Village into two kinds of activities:

Governmental Activities

Most of the Village's basic services are reported here including the police and general administration. Taxes, license and permits, fines, interest income and state and federal grants finance most of these activities.

Business-Type Activities

The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water and sewer systems are reported here.

Reporting the Village's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Village as a whole. Some funds are required to be established by State law and by bond covenants. However, the Village aldermen may establish other funds to help it control the money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Village's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Village's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's activities as well as what remains for future spending.

Proprietary Funds

When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the Village's enterprise funds are the same as the business-type activities we reported in the government-wide statements but provide more detail and additional information, such as cash flows.

VILLAGE OF PLEASANT HILL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2012

FINANCIAL ANALYSIS OF THE ENTITY

| | Statement of Net Position at Year End | | | |
|---|---------------------------------------|------------------------|----------------------------|------------------------|
| | Governmental Activities | Business Activities | Governmental Activities | Business Activities |
| | 2012 | 2012 | 2011 | 2011 |
| Current and other assets | 311,910 | 149,912 | \$ 260,605 | \$ 156,968 |
| Capital assets, net | 865,421 | 1,901,443 | 896,450 | 1,951,506 |
| Total Assets | 1,177,331 | 2,051,355 | 1,157,055 | 2,108,474 |
| Deferred outflows of resources | - | - | - | - |
| Accounts Payable and Accruals | 6,109 | 4,344 | 12,452 | 4,773 |
| Short Term Notes Payable | - | - | 10,087 | - |
| Long Term Notes Payable | - | - | - | - |
| Customer Deposits | - | 19,137 | - | 19,455 |
| Total Liabilities | 6,109 | 23,481 | 22,539 | 24,228 |
| Deferred inflows of resources | - | - | - | - |
| Net Position | | | | |
| Investments in capital assets, Net of related debt | 865,421 | 1,919,317 | 896,450 | 1,951,506 |
| Restricted Net Position | - | - | - | - |
| Unrestricted | 305,801 | 74,462 | 238,066 | 132,740 |
| Total Net Position | \$ 1,171,222 | \$ 1,993,779 | \$ 1,134,516 | \$ 2,084,246 |

Net position of Village of Pleasant Hill increased by \$36,706 and (\$90,467) from the previous fiscal year in Governmental Activities and Business-Type Activities, respectively. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year ended 2012 (See table below).

| | Statement of Activities As of Year End | | | |
|---|--|--------------------|------------------|-------------------|
| | Government | Business | Government | Business |
| | 2012 | 2012 | 2011 | 2011 |
| General Government Expenses | \$ (168,647) | \$ (219,619) | \$ (170,788) | \$ (186,047) |
| Program revenues | | | | |
| Charges for services | - | 126,235 | - | 134,683 |
| Operating and capital grants and Contributions | - | - | - | 501,647 |
| Subtotal | (168,647) | (93,384) | (170,788) | 450,283 |
| General revenues and transfers | 205,353 | 2,917 | 235,797 | 1,215 |
| Change in net position | \$ 36,706 | \$ (90,467) | \$ 65,009 | \$ 451,498 |

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2012, Village of Pleasant Hill had \$865,424, and \$1,901,443 net of depreciation in Governmental Activities and Business-Type Activities, respectively, invested in a broad range of capital assets (See table below).

VILLAGE OF PLEASANT HILL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2012

Capital Assets (Net) at Year End

| | <u>Governmental Activities</u> 2012 | <u>Business-Type Activities</u> 2012 |
|-----------------------------------|--|---|
| Land | \$ 3,100 | \$ - |
| Construction in Progress | | |
| Buildings and other improvements | 856,832 | - |
| Distribution system | - | 1,877,783 |
| Equipment, furniture and fixtures | 5,489 | 23,660 |
| Total | <u>\$ 865,421</u> | <u>\$ 1,901,443</u> |

Additions for the year ended December 31, 2012 are as follows:

This years major additions included:

| | <u>Governmental Activities</u> 2012 | <u>Business-Type Activities</u> 2012 |
|-----------------------------------|--|---|
| Distribution system | \$ - | \$ 7,898 |
| Land | - | - |
| Buildings and other improvements | - | - |
| Equipment, furniture and fixtures | - | 25,741 |
| Total | <u>\$ -</u> | <u>\$ 33,639</u> |

Debt

Village of Pleasant Hill had no long-term liabilities payable for the Governmental Activities and Business-Type Activities, respectively at year end.

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|---------------|------------------------------------|-------------------------------------|
| Notes Payable | <u>\$ -</u> | <u>\$ -</u> |

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$12,673 more than budgeted amounts.

Actual expenditures were \$8,612 more than budgeted amounts due to general government being more than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village of Pleasant Hill's elected officials considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental revenues (state and local grants)
- 3) License and permits
- 4) Fines

Village of Pleasant Hill does not expect any significant changes in next year's results as compared to the current year.

VILLAGE OF PLEASANT HILL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2012

CONTACTING VILLAGE OF PLEASANT HILL'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Village of Pleasant Hill's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact Bill Thomas, Mayor of the Village of Pleasant Hill, Post Office Box 125, Pleasant Hill, Louisiana 71065.

VILLAGE OF PLEASANT HILL, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2012

| ASSETS | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|---------------------|
| Current Assets | | | |
| Cash | \$ 261,719 | \$ 120,079 | \$ 381,798 |
| Accounts, Taxes and Grants Receivable | 16,096 | 11,956 | 28,052 |
| Prepaid expenses | - | - | - |
| Total Current Assets | 277,815 | 132,035 | 409,850 |
| Noncurrent Assets | | | |
| Restricted cash | - | 17,877 | 17,877 |
| Due from other funds | 34,095 | - | 34,095 |
| Capital assets, net | 865,421 | 1,901,443 | 2,766,864 |
| Total Noncurrent Assets | 899,516 | 1,919,320 | 2,818,836 |
| Total Assets | 1,177,331 | 2,051,355 | 3,228,686 |
| Deferred Outflows of Resources | - | - | - |
| | | | |
| LIABILITIES | | | |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable and accruals | 6,109 | 4,344 | 10,453 |
| Current portion of notes payable | - | - | - |
| Total current liabilities | 6,109 | 4,344 | 10,453 |
| Noncurrent Liabilities | | | |
| Due to Other Funds | - | 34,095 | 34,095 |
| Customer deposits | - | 19,137 | 19,137 |
| Total Noncurrent liabilities | - | 53,232 | 53,232 |
| Total liabilities | 6,109 | 57,576 | 63,685 |
| Deferred Inflows of Resources | - | - | - |
| | | | |
| NET POSITION | | | |
| Investment in capital assets, Net of related debt | 865,421 | 1,919,317 | 2,784,738 |
| Unrestricted | 305,801 | 74,462 | 380,263 |
| Total Net Position | \$ 1,171,222 | \$ 1,993,779 | \$ 3,165,001 |

See accompanying notes to financial statements.

VILLAGE OF PLEASANT HILL, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|-------------------|---------------------------------|---|---|------------------------------------|-------------------------------------|---------------------|
| Primary Government | | | | | | | |
| Governmental Activities | | | | | | | |
| General Government | \$ 137,618 | \$ - | \$ - | \$ - | \$ (137,618) | \$ - | \$ (137,618) |
| Depreciation | 31,029 | - | - | - | (31,029) | - | (31,029) |
| Total Governmental Activities | <u>168,647</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(168,647)</u> | <u>-</u> | <u>(168,647)</u> |
| Business-Type Activities | | | | | | | |
| Utility Fund | 219,619 | 126,235 | - | - | - | (93,384) | (30,554) |
| Total Business-Type Activities | <u>219,619</u> | <u>124,058</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(93,384)</u> | <u>(30,554)</u> |
| Total Primary Government | <u>\$ 388,266</u> | <u>\$ 124,058</u> | <u>\$ -</u> | <u>-</u> | <u>(168,647)</u> | <u>(93,384)</u> | <u>(199,201)</u> |
| General Revenues | | | | | | | |
| Taxes | | | | | 166,403 | - | 166,403 |
| Intergovernmental | | | | | 6,000 | - | 7,057 |
| Miscellaneous | | | | | 5,864 | 2,917 | 8,781 |
| Police Fines | | | | | 27,086 | - | 27,086 |
| Total General Revenues and Transfers | | | | | <u>205,353</u> | <u>2,917</u> | <u>209,327</u> |
| Change in Net Position | | | | | 36,706 | (90,467) | 10,126 |
| Net Position, Beginning of Year | | | | | <u>1,134,516</u> | <u>2,084,246</u> | <u>2,042,649</u> |
| Net Position, End of Year | | | | | <u>\$ 1,171,222</u> | <u>\$ 1,993,779</u> | <u>\$ 3,165,001</u> |

See accompanying notes to financial statements.

VILLAGE OF PLEASANT HILL, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Total</u> |
|--|--------------------------|--------------------------------------|--------------------------|
| ASSETS | | | |
| Cash | \$ 261,719 | - | \$ 261,719 |
| Taxes and Grants Receivable | 16,096 | - | 16,096 |
| Due from other funds | 34,095 | - | 34,095 |
| Prepaid expenses | - | - | - |
| Total Assets | <u>\$ 311,910</u> | <u>\$ -</u> | <u>\$ 311,910</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | \$ 6,109 | \$ - | \$ 6,109 |
| Due to other funds | - | - | - |
| Total Liabilities | 6,109 | - | 6,109 |
| Fund Balances | | | |
| Unassigned | <u>305,801</u> | - | <u>305,801</u> |
| Total Fund Balances | <u>305,801</u> | - | <u>305,801</u> |
| Total Liabilities and Fund Balances | <u>\$ 311,910</u> | <u>\$ -</u> | <u>\$ 311,910</u> |

See accompanying notes to financial statements.

VILLAGE OF PLEASANT HILL, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

| | |
|---|---------------------|
| Total Fund Balance for Governmental Funds | \$ 305,801 |
| Total Net Position for governmental activities in the statement of net position is different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 865,421 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund balances | <u>-</u> |
| Total Net Position of Governmental Activities | <u>\$ 1,171,222</u> |

See accompanying notes to financial statements.

VILLAGE OF PLEASANT HILL, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

| | <u>General Fund</u> | <u>Capital Projects</u> | <u>Total</u> |
|---|---------------------|-----------------------------|-------------------|
| Revenues | | | |
| Taxes | | | |
| Ad Valorem | \$ 28,539 | \$ - | \$ 28,539 |
| Licenses and Permits | 40,746 | - | 40,746 |
| Sales | 97,118 | - | 97,118 |
| Intergovernmental | 6,000 | - | 6,000 |
| Fines | 27,086 | - | 27,086 |
| Miscellaneous | 5,864 | - | 5,864 |
| Total Revenues | <u>205,353</u> | <u>-</u> | <u>205,353</u> |
| Expenditures | | | |
| General Government | 68,718 | - | 68,718 |
| Public Safety | 42,888 | - | 42,888 |
| Streets | 36,099 | - | 36,099 |
| Capital Projects | - | - | - |
| Total Expenditures | <u>147,705</u> | <u>-</u> | <u>147,705</u> |
| Net Change in Fund Balances | 57,648 | - | 57,648 |
| Fund Balances, Beginning of year | <u>248,153</u> | <u>-</u> | <u>248,153</u> |
| Fund Balances, End of year | <u>\$ 305,801</u> | <u>-</u> | <u>\$ 305,801</u> |

See accompanying notes to financial statements.

VILLAGE OF PLEASANT HILL, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Net Changes in Fund Balances - Total Governmental Funds \$ 57,648

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 depreciation (\$31,029) exceeds capital outlay (\$-0-) (31,029)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense in the statement of activities. 10,087

Change in Net Position of Governmental Activities \$ 36,706

See accompanying notes to financial statements.

VILLAGE OF PLEASANT HILL, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2012

| Assets | |
|---|---------------------|
| Current Assets | |
| Cash | \$ 120,079 |
| Accounts receivable | 11,956 |
| Due from other funds | - |
| Total Current Assets | <u>132,035</u> |
| Noncurrent Assets | |
| Restricted cash | 17,877 |
| Capital Assets, Net | <u>1,901,443</u> |
| Total Noncurrent Assets | <u>1,919,320</u> |
| Total Assets | <u>2,051,355</u> |
| Deferred inflows of resources | <u>-</u> |
| Liabilities | |
| Liabilities | |
| Accounts payable and accruals | <u>4,344</u> |
| Total Current Liabilities | <u>4,344</u> |
| Noncurrent Liabilities | |
| Due to other funds | 34,095 |
| Customer deposits | <u>19,137</u> |
| Total Noncurrent Liabilities | <u>53,232</u> |
| Total Liabilities | <u>57,576</u> |
| Deferred inflows of resources | <u>-</u> |
| Net Position | |
| Investments in capital assets, Net of related debt | 1,919,317 |
| Unrestricted | <u>74,462</u> |
| Total Net Position | <u>\$ 1,993,779</u> |

See accompanying notes to financial statements.

VILLAGE OF PLEASANT HILL, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

| | |
|--|----------------------------|
| OPERATING REVENUES | |
| Charges for Services | \$ 126,235 |
| Miscellaneous | 2,917 |
| Total Operating Revenues | <u>129,152</u> |
| OPERATING EXPENSES | |
| Personal Services | 53,680 |
| Utilities | 33,680 |
| Repair and maintenance | 7,899 |
| Other supplies and expenses | 35,020 |
| Insurance | 5,638 |
| Depreciation | 83,702 |
| Total Operating Expenses | <u>219,619</u> |
| Changes in Net Position before Capital Contributions | (90,467) |
| CAPITAL CONTRIBUTIONS | <u>-</u> |
| Changes in Net Position | (90,467) |
| Net Position, Beginning of Year | <u>2,084,246</u> |
| Net Position, End of Year | <u><u>\$ 1,993,779</u></u> |

See accompanying notes to financial statements.

VILLAGE OF PLEASANT HILL, LOUISIANA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
YEAR ENDED DECEMBER 31, 2012

| | |
|--|-------------------|
| Cash flows from operating activities: | |
| Cash received from customers | \$ 125,370 |
| Cash payments to suppliers and employees | (99,172) |
| Other operating income | 2,917 |
| Net cash provided by operating activities | <u>29,115</u> |
| Cash flows from capital and related financing activities | |
| Capital contributions | - |
| System improvements | (33,639) |
| Net cash used by capital and related financing activities | <u>(33,639)</u> |
| | |
| Net increase in cash | (4,524) |
| | |
| Cash, January 1, 2012 (including \$18,323 in restricted accounts) | <u>142,480</u> |
| | |
| Cash, December 31, 2012 (including \$17,877 in restricted accounts) | <u>\$ 137,956</u> |
| | |
| Reconciliation of changes in net assets to net cash provided by operating activities: | |
| Changes in net assets before capital contributions | \$ (90,467) |
| Adjustments to reconcile net income to net cash provided by operating activities: | |
| Depreciation | 83,702 |
| Changes in assets and liabilities | |
| Increase in accounts receivable | (865) |
| Increase in due to other funds | 37,492 |
| Decrease in accounts payable | (429) |
| Decrease in customer deposits | (318) |
| Net cash provided by operating activities | <u>\$ 29,115</u> |

See accompanying notes to financial statements.

VILLAGE OF PLEASANT HILL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Village of Pleasant Hill was incorporated in 1891, under the provisions of the Lawrason Act. The Village operates under a Mayor Aldermen form of government. The Village's major operations include public safety, streets, recreation and parks, utilities, and general administrative services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of the Village of Pleasant Hill have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June, 1999.

B. Reporting Entity

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, Village of Pleasant Hill is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bond debt.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position, page 10, and the Statement of Activities, (page 11) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include a) charges to customers or applicants who purchase, use or directly benefit from goods, services privileges provided by a given function or segment, and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

VILLAGE OF PLEASANT HILL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales and use tax revenues are recorded in the month collected by the tax collector. All other revenue items are considered to be measurable and available only when the cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term proceeds, et cetera are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

Village of Pleasant Hill reports the following governmental and proprietary funds:

Governmental Funds

Governmental funds account for all or most of Village of Pleasant Hill's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations.

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. General tax revenues and other sources of revenue used to finance the fundamental operations of the Village are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

VILLAGE OF PLEASANT HILL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Village of Pleasant Hill applies all GASB pronouncements as well the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Fund - is used to account for operations a) that are financed/operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that these standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include a) charges to customers or applicants for goods, services, or privileges provided, b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control. Village of Pleasant Hill prepares and adopts a budget each year for its general and utility funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Village amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more. All budget appropriations lapse at year end.

VILLAGE OF PLEASANT HILL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Village defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

G. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

H. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2012, \$1,497 Business-Type Activities receivables were estimated to be uncollectible.

I. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased that have a useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

J. Sales Taxes

The Village collects a one (1) percent sales and use tax with the proceeds, after deducting the costs of collection and administration, dedicated to construction, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities sewer disposal works, recreational facilities public parks, public buildings and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department including the purchase of equipment thereof, or for any one or more of said purposes, title to which improvements shall be in the public.

VILLAGE OF PLEASANT HILL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

Leave cannot be accumulated or carried over from one year to the next. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

L. Estimates

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

NOTE 2 LEVIED TAXES

Village of Pleasant Hill levies taxes on real and business personal property located within its boundaries. The Parish Tax Assessor assesses the property values and prepares the Village's property tax roll. The Village bills and collects its own property taxes. Ad valorem taxes are levied and billed to the taxpayer in December, and are payable upon receipt of notice. Ad valorem taxes attach as an enforceable lien on property as of December 31 of each year. Taxes of 11.51 mills were levied on property with assessed valuations totaling 1,898,180 and were dedicated as follows: general operating purposes - 5.54 mills, street fund - 5.97 mills. Total taxes levied were \$21,827. Taxes receivable at year end totaled \$4,509.

NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Village may deposit funds within a fiscal agent bank selected and designated by the aldermen . Further, the fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged 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. The carrying amount of the Village's deposits at December 31, 2012 including petty cash of \$50 was \$296,447 and the bank's balance was \$302,266. The difference is due to outstanding checks and deposits at year end. The banks balances were secured as follows:

| | |
|---|-------------------|
| Secured by FDIC Insurance: | \$ 255,614 |
| Collateralized by securities pledged in the Village's name: | 46,652 |
| Total | <u>\$ 302,266</u> |

VILLAGE OF PLEASANT HILL, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 CASH - CONTINUED

The Village maintains accounts in the Louisiana Asset Management Pool (LAMP). LAMP was established and is administered by LAMP, Inc., a nonprofit corporation organized under the law of State of Louisiana. LAMP accepts deposits from public entities. Upon the making of an investment, a public entity becomes a member of LAMP, Inc., similar to a corporate shareholder, and maintains certain rights with respect to the governance of the corporation.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality vehicles for investment. The LAMP portfolio includes only securities and obligations in which local governments in Louisiana are authorized to invest. LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, U.S. Government, or one of its agencies. The dollar weighted average portfolio of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their balances.

At December 31, 2012, funds on deposit with LAMP (at cost) totaled \$103,228.

NOTE 4 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2012:

| | General | Business-Type | Total |
|----------------------|------------------|------------------|------------------|
| Taxes | | | |
| Ad Valorem | \$ 4,509 | \$ - | \$ 4,509 |
| Franchise | 5,840 | - | 5,840 |
| Sales | 4,197 | - | 4,197 |
| Other | 1,550 | - | 1,550 |
| Charges for services | - | 11,956 | 11,956 |
| Total. | <u>\$ 16,096</u> | <u>\$ 11,956</u> | <u>\$ 28,052</u> |

VILLAGE OF PLEASANT HILL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 5 CAPITAL ASSETS

A summary of Village of Pleasant Hill's capital assets at December 31, 2012 follows:

| | Balance 1/1/2012 | Additions | Retirements | Balance 12/31/2012 |
|--|---------------------|--------------------|-------------|-----------------------|
| Government Activities | | | | |
| Capital Assets, not being depreciated | | | | |
| Land | \$ 3,100 | \$ - | \$ - | \$ 3,100 |
| Total Capital Assets, not being depreciated | 3,100 | - | - | 3,100 |
| Capital Assets, being depreciated | | | | |
| Buildings and other improvements | 1,030,185 | - | - | 1,030,185 |
| Less accumulated depreciation | (148,052) | (25,301) | - | (173,353) |
| Total Buildings and other improvements | 882,133 | (25,301) | - | 856,832 |
| Equipment, furniture & fixtures | 63,446 | - | - | 63,446 |
| Less accumulated depreciation | (52,229) | (5,728) | - | (57,957) |
| Total Equipment, Furniture & Fixtures | 11,217 | (5,728) | - | 5,489 |
| Total Capital Assets, being depreciated | 893,350 | (31,029) | - | 862,321 |
| Governmental Activities | | | | |
| Total Capital Assets, net | <u>\$ 896,450</u> | <u>\$ (31,029)</u> | <u>\$ -</u> | <u>\$ 865,421</u> |
| Business-Type Activities | | | | |
| Capital Assets, not being depreciated | | | | |
| Land | \$ - | \$ - | - | - |
| Construction in Progress | - | - | - | - |
| Total Capital Assets, not being depreciated | \$ - | \$ - | \$ - | \$ - |
| Capital Assets, being depreciated | | | | |
| Distribution System | 3,419,474 | 7,898 | - | 3,427,372 |
| Less accumulated depreciation | (1,467,968) | (81,621) | - | (1,549,589) |
| Total Distribution System | 1,951,506 | (73,723) | - | 1,877,783 |
| Equipment, furniture & fixtures | 29,350 | 25,741 | - | 55,091 |
| Less accumulated depreciation | (29,350) | (2,081) | - | (31,431) |
| Total Equipment, Furniture & Fixtures | - | 23,660 | - | 23,660 |
| Total Capital Assets, being depreciated | 1,951,506 | (50,063) | - | 1,901,443 |
| Business-Type Activities | | | | |
| Total Capital Assets, net | <u>\$ 1,951,506</u> | <u>(50,063)</u> | <u>\$ -</u> | <u>\$ 1,901,443</u> |
| Primary Government | | | | |
| Total Capital Assets, net | <u>\$ 2,847,956</u> | <u>\$ (81,092)</u> | <u>\$ -</u> | <u>\$ 2,766,864</u> |

VILLAGE OF PLEASANT HILL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012

NOTE 6 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2012:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---------------|------------------------------------|-------------------------------------|------------------|
| Vendor | \$ 6,109 | \$ 4,344 | \$ 10,453 |
| Payroll taxes | - | - | - |
| Other | - | - | - |
| Total | <u>\$ 6,109</u> | <u>\$ 4,344</u> | <u>\$ 10,453</u> |

NOTE 7 RISK MANAGEMENT

Village of Pleasant Hill is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village.

NOTE 8 - NOTES PAYABLE

Village of Pleasant Hill paid the note payable of \$10,087 in full during the year ended December 31, 2012.

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 9, 2013, the date the financial statements were available to be issued, and determined that no additional disclosures are warranted.

VILLAGE OF PLEASANT HILL, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | | | | |
| Ad Valorem | \$ 18,500 | \$ 17,156 | \$ 28,539 | \$ 11,383 |
| Licenses & Permits | 34,000 | 46,222 | 40,746 | (5,476) |
| Sales | 40,000 | 87,676 | 97,118 | 9,442 |
| Fines | 500 | 26,789 | 27,086 | 297 |
| Intergovernmental | - | 6,000 | 6,000 | - |
| Miscellaneous | 3,500 | 8,837 | 5,864 | (2,973) |
| Total revenues | <u>96,500</u> | <u>192,680</u> | <u>205,353</u> | <u>12,673</u> |
| Expenditures: | | | | |
| General government | 47,350 | 60,063 | 68,718 | (8,655) |
| Public Safety | 30,625 | 45,774 | 42,888 | 2,886 |
| Highways and streets | 15,300 | 33,256 | 36,099 | (2,843) |
| Total Expenditures | <u>93,275</u> | <u>139,093</u> | <u>147,705</u> | <u>(8,612)</u> |
| Excess Revenues Over Expenditures | 3,225 | 53,587 | 57,648 | 4,061 |
| Fund Balances, Beginning | <u>248,153</u> | <u>248,153</u> | <u>248,153</u> | |
| Fund Balances, Ending | <u>\$ 64,999</u> | <u>\$ 301,740</u> | <u>\$ 305,801</u> | <u>\$ 4,061</u> |

VILLAGE OF PLEASANT HILL, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO MAYOR AND
MEMBERS OF THE BOARD OF ALDERMEN

YEAR ENDED DECEMBER 31, 2012

| | |
|---------------------|------------------|
| Betty Thomas, Mayor | \$ 7,200 |
| Dorothy Spencer | 1,800 |
| Glenn Arnold | 1,800 |
| Mary Lee | <u>1,800</u> |
| Total | <u>\$ 12,600</u> |



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

The Honorable Bill Thomas
and Members of the Board of Aldermen
Village of Pleasant Hill, Louisiana

I 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, business-type activities, each major fund, and the aggregate remaining fund information of Village of Pleasant Hill, and related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued my report thereon dated July 9, 2013.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Village of Pleasant Hill's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, I do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A deficiency in internal control exists when the design or operation 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 Village's financial statements will not be prevented, or detected 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.

My 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Pleasant Hill's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and is reported in the accompanying Schedule of Findings and Questioned Costs as Finding 2012-1.

810 WILKINSON
SHREVEPORT, LA 71104-3036
(318) 221-3881
FAX: (318) 221-4641 29

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.

Marsha D. Millian

Certified Public Accountant
July 9, 2013

VILLAGE OF PLEASANT HILL, LOUISIANA

Schedule of Findings and Questioned Costs

Year Ended December 31, 2012

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies in internal accounting control were disclosed during the audit.
3. One instance of noncompliance material to the financial statements was disclosed during the audit.

FINDING 2012-1:

Condition:

The Village is not in compliance with the State Budget Law. Although the budget was amended, actual expenses exceeded budgeted amounts by more than 5%.

Cause:

Oversight by management.

Recommendation:

I recommend the Village comply with State Budget Law.

Management's Response and Corrective Action Plan:

We agree with the finding. We will comply with the State Budget Law in the future.

VILLAGE OF PLEASANT HILL, LOUISIANA

Corrective Action Taken on Prior Year Findings

For the Year Ended December 31, 2012

FINDING 2011-1:

Condition: The Village is not in compliance with the State Budget Law.

Status: Unresolved.