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FINANCIAL REPORT
OF THE
VILLAGE OF PINE PRAIRIE, LOUISIANA
FOR THE YEAR ENDED DECEMBER 31, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Board of Aldermen
Village of Pine Prairie, Louisiana

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, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents These financial statements are the responsibility of the Village of Pine Prairie, Louisiana's, management Our responsibility is to express opinions on these financial statements based on our audit The prior year partial comparative information has been derived from the Village's 2010 financial statements and, in our report dated June 23, 2011, we expressed unqualified opinions on the respective financial statements of the business-type activities

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe that our audit provides a reasonable basis for our opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Village of Pine Prairie, Louisiana, as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America

In accordance with Government Auditing Standards, we have also issued a report dated May 23, 2012, on our consideration of the Village of Pine Prairie, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting on compliance That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Pine Prairie, Louisiana's basic financial statements. The other supplementary information on pages 44-53 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Village of Pine Prairie, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole

Vige, Tujague & Noel

Vige, Tujague & Noel
Eunice, Louisiana

May 23, 2012

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF PINE PRAIRIE

Statement of Net Assets

December 31, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current Assets			
Cash and Interest-Bearing Deposits	$ 528,078	$ 6,157	$ 534,235
Receivables, net of $7,140 allowance	148,536	9,908	158,444
Due From Other Funds	153	-	153
Total Current Assets	676,767	16,065	692,832
Noncurrent Assets			
Restricted Assets			
Cash and Interest-Bearing Deposits	15,083	37,042	52,125
Capital Assets, Net	1,939,316	1,659,499	3,598,815
Total Noncurrent Assets	1,954,399	1,696,541	3,650,940
Total Assets	2,631,166	1,712,606	4,343,772
LIABILITIES:			
Current Liabilities			
Accounts Payable	8,677	1,491	10,168
Payroll Taxes Payable	5,810	577	6,387
Accrued Interest Payable	-	650	650
Due To Other Funds	-	153	153
Notes Payable	2,395	5,241	7,636
Bonds Payable	53,000	-	53,000
Total Current Liabilities	69,882	8,112	77,994
Noncurrent Liabilities,			
Customers' Deposits	-	20,900	20,900
Notes Payable	204,204	424,168	628,372
Bonds Payable	185,000	-	185,000
Total Noncurrent Liabilities	389,204	445,068	834,272
Total Liabilities	459,086	453,180	912,266
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	1,494,717	1,230,090	2,724,807
Restricted For			
Debt Service	15,083	15,531	30,614
Street Projects	391,629	-	391,629
Unrestricted	270,651	13,805	284,456
Total Net Assets	$ 2,172,080	$ 1,259,426	$ 3,431,506

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

VILLAGE OF PINE PRAIRIE

Statement of Activities

For the Year Ended December 31, 2011

		Program Revenues		Net (Expense) Revenues and Changes in Net Assets		
Activities	Expenses	Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities						
General government	$ 291,940	$ 69,295	$ -	$ (222,645)	$ -	$ (222,645)
Public safety (Police)	172,087	198,501	-	26,414	-	26,414
Streets	253,274	-	30,000	(223,274)	-	(223,274)
Interest on long-term debt	23,024	-	-	(23,024)	-	(23,024)
Total governmental activities	740,325	267,796	30,000	(442,529)	-	(442,529)
Business-type activities						
Sewer	160,687	95,512	12,018	-	(53,157)	(53,157)
Total business-type activities	160,687	95,512	12,018	-	(53,157)	(53,157)
Total primary government	$ 901,012	$ 363,308	$ 42,018	(442,529)	(53,157)	(495,686)
General Revenues						
Taxes						
Ad Valorem Taxes				123,676	-	123,676
Sales Taxes				173,312	-	173,312
Franchise Taxes				50,052	-	50,052
Investment Earnings				4,083	167	4,250
Miscellaneous				58,801	3,199	62,000
Transfers				(8,862)	8,862	-
Total general revenues and transfers				401,062	12,228	413,290
Change in net assets				(41,467)	(40,929)	(82,396)
Net assets-beginning				2,213,547	1,300,355	3,513,902
Net assets-ending				$ 2,172,080	$ 1,259,426	$ 3,431,506

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

VILLAGE OF PINE PRAIRIE
Governmental Funds
Balance sheet
December 31, 2011

	General	Special Revenue	Total Governmental Funds
ASSETS			
Current Assets			
Cash and Interest-Bearing Deposits	$ 136,449	$ 391,629	$ 528,078
Ad Valorem Taxes Receivable	51,114	51,282	102,396
Franchise Tax Receivable	9,676	-	9,676
Sales Tax Receivable	-	35,910	35,910
Due from Other Funds	114	3,207	3,321
Total Current Assets	197,353	482,028	679,381
Restricted Assets			
Community Center Reserve Fund	11,003	-	11,003
Community Center Sinking Fund	2,934	-	2,934
Community Center Contingency Fund	1,146	-	1,146
Total Restricted Assets	15,083	-	15,083
Total Assets	$ 212,436	$ 482,028	$ 694,464
LIABILITIES AND FUND BALANCES:			
Liabilities			
Accounts Payable	$ 5,906	$ 2,771	$ 8,677
Payroll Liabilities	4,919	891	5,810
Due to Other Funds	3,168	-	3,168
Total Liabilities	13,993	3,662	17,655
Fund Balances			
Fund Balances			
Restricted for			
Debt Service	-	3,530	3,530
Street Projects	-	474,836	474,836
Unassigned	198,443	-	198,443
Total Fund Balances	198,443	478,366	676,809
TOTAL LIABILITIES AND FUND BALANCES	$ 212,436	$ 482,028	$ 694,464

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

VILLAGE OF PINE PRAIRIE
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
December 31, 2011

Governmental funds fund balances at December 31, 2011	$ 676,809
Total net assets reported for governmental activities in the statement of net assets are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,939,316
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(444,599)
Accrued interest receivable at December 31, 2011	554
Net assets of governmental activities	$ 2,172,080

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

VILLAGE OF PINE PRAIRIE

Governmental Funds

Combined Statement Of Revenues, Expenditures, And Changes

In Fund Balances

For the Year Ended December 31, 2011

	General Fund	Special Revenue	Total (Governmental Funds)
Revenues:			
Taxes Ad Valorem	$ 61,044	$ 62,632	$ 123,676
Franchise	50,052	-	50,052
Sales	-	173,312	173,312
Licenses	34,112	-	34,112
Fines and Forfeits	198,501	-	198,501
Prison Fees	35,183	-	35,183
Miscellaneous & Grants	86,248	2,553	88,801
Total Revenues	465,140	238,497	703,637
Expenditures:			
Current			
General Government	247,864	-	247,864
Public Safety	158,110	-	158,110
Street Department	-	163,513	163,513
Capital Outlay	47,875	-	47,875
Debt Service	10,872	65,450	76,322
Total Expenditures	464,721	228,963	693,684
Other Financing Sources / (Uses)			
Hurricane Center Loan	-	-	-
Interest Income	1,454	3,141	4,595
Operating Transfers In	-	-	-
Operating Transfers Out	(8,862)	-	(8,862)
Total Other Financing Sources/(Uses)	(7,408)	3,141	(4,267)
Net Change in Fund Balances	(6,989)	12,675	5,686
Fund Balance, Beginning Of Year	205,432	465,691	671,123
Fund Balance, End Of Year	$ 198,443	$ 478,366	$ 676,809

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

VILLAGE OF PINE PRAIRIE
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended December 31, 2011

Net change in fund balances-total governmental funds	$ 5,686
The change in net assets 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 ($47,875) exceeded depreciation ($147,814) in the current year	(99,939)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	53,298
Differences between accrued interest receivable on modified accrual basis versus accrual basis	(512)
Change in net assets of governmental activities	$ (41,467)

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

PROPRIETARY FUND

VILLAGE OF PINE PRAIRIE
Proprietary Fund
Comparative Statement of Net Assets
December 31, 2011 and 2010

ASSETS:

	2011	2010
Current Assets		
Cash and Interest-Bearing Deposits	$ 6,157	$ 9,349
Accounts Receivable, Net of Allowance for Uncollectible (2011, $7,140, 2010, $3,965)	9,908	8,379
Total Current Assets	16,065	17,728
Restricted Assets		
Cash on Deposit for		
Note Sinking Fund	5,909	5,858
Note Reserve Fund	4,789	3,581
Note Contingency Fund	4,833	3,625
CDBG Fund	27	-
Customers' Deposits	21,484	19,192
Total Restricted Assets	37,042	32,256
Long-Term Assets		
Fixed Assets, Net of Accumulated Depreciation (2011, $613,713, 2010, $554,233)	1,659,499	1,705,341
Total Long-Term Assets	1,659,499	1,705,341
TOTAL ASSETS	$ 1,712,606	$ 1,755,325

(Continued)

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

VILLAGE OF PINE PRAIRIE
Proprietary Fund
Comparative Statement of Net Assets (Continued)
December 31, 2011 and 2010

LIABILITIES:

	2011	2010
Current Liabilities		
Accounts Payable	$ 1,491	$ 763
Payroll Taxes Payable	577	136
Accrued Interest Payable	650	658
Notes Payable	5,241	5,023
Total Current Liabilities	7,959	6,580
Noncurrent Liabilities		
Customers' Deposits	20,900	18,980
Notes Payable	424,168	429,410
Total Noncurrent Liabilities	445,068	448,390
Due to Other Funds		
Due to Sales Tax Fund	39	-
Due to General Fund	114	-
Total Due to Other Funds	153	-
Total Liabilities	453,180	454,970
NET ASSETS		
Invested in capital assets, net of related debt	1,230,090	1,270,908
Restricted for		
Debt Service	15,531	13,064
Unrestricted	13,805	16,383
Total Net Assets	$ 1,259,426	$ 1,300,355

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

VILLAGE OF PINE PRAIRIE
Comparative Statement Of Revenues,
Expenses, And Changes In Fund Net Assets
Proprietary Fund
For the Year Ended December 31, 2011 and 2010

	2011	2010
Operating Revenues:		
Charges for Services—Sewer Fees	$ 95,512	$ 92,325
Miscellaneous	-	-
Total Operating Revenues	95,512	92,325
Operating expenses:		
Bad Debt Expense	3,268	1,615
Dues & Fees	3,520	3,065
Depreciation Expense	59,481	59,135
Office Expense	1,528	1,461
Repairs and Maintenance	37,037	32,366
Salaries	18,838	2,426
Taxes	1,197	169
Miscellaneous	7,384	2,159
Utilities	10,076	9,914
Total operating expenses	142,329	112,310
Operating income (loss)	(46,817)	(19,985)
Non-operating revenues/(expenses):		
Interest Revenue	167	235
Interest Expense	(18,358)	(18,567)
Insurance Proceeds	3,199	-
Grant Income	12,018	-
Total non-operating revenues/(expenses)	(2,974)	(18,332)
Transfers in (outs)		
Operating Transfers In	8,862	11,000
Operating Transfer Out	-	-
Total transfers in (out)	8,862	11,000
Change in net assets	(40,929)	(27,317)
Net Assets, BEGINNING OF YEAR	1,300,355	1,327,672
Net Assets, END OF YEAR	$ 1,259,426	$ 1,300,355

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

VILLAGE OF PINE PRAIRIE

Proprietary Fund

Comparative Statement Of Cash Flows

For the Years Ended December 31, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Receipts from customers	$ 93,983	$ 86,750
Payments to suppliers	(63,129)	(67,879)
Payments to employees	(18,398)	(2,356)
Net cash provided (used) by operating activities	12,456	16,515
Cash flows from noncapital financing activities		
Cash received from other funds	8,862	11,000
Net cash provided by noncapital financing activities	8,862	11,000
Cash flows from capital and related financing activities		
Note principal payments	(5,024)	(4,815)
Payments for plant and equipment	(13,638)	(815)
Grant income	12,018	-
Insurance proceeds	3,199	-
Increase/(Decrease) in customers' deposits payable	1,920	3,929
Net cash used for capital and related financing activities	(1,525)	(1,701)
Cash flows from investing activities		
Interest received	167	235
Interest paid	(18,366)	(18,574)
Net cash used for investing activities	(18,199)	(18,339)
Net increase (decrease) in cash and cash equivalents	1,594	7,475
Cash and cash equivalent, beginning of year	41,605	34,130
Cash and cash equivalent, end of year	$ 43,199	$ 41,605

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

VILLAGE OF PINE PRAIRIE
Proprietary Fund
Comparative Statement Of Cash Flows (continued)
For the Years Ended December 31, 2011 and 2010

		2011		2010
Reconciliation of operating loss to net cash provided by operating activities:				
Operating loss	$	(46,817)	$	(19,985)
Adjustments to reconcile operating loss to net cash provided by/(used for) operating activities				
Depreciation		59,481		59,135
Changes in current assets and liabilities				
(Increase)/Decrease in accounts receivable		(1,529)		(5,575)
Increase/(Decrease) in accounts payable		881		(17,130)
Increase/(Decrease) in payroll taxes payable		440		70
Net cash provided (used) by operating activities	$	12,456	$	16,515
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet				
Cash and cash equivalents, beginning of year				
Cash -unrestricted	$	9,349	$	1,030
Cash—restricted		32,256		33,100
Total cash and cash equivalents, beginning of year		41,605		34,130
Cash and cash equivalents, end of year				
Cash—unrestricted		6,157		9,349
Cash—restricted		37,042		32,256
Total cash and cash equivalents, end of year		43,199		41,605
Net Increase (Decrease)	$	1,594	$	7,475

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

NOTES TO THE FINANCIAL STATEMENTS

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 In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24 517 and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies.

A Financial reporting Entity

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets 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

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs

Proprietary Fund

Enterprise Fund

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

Proprietary funds are reported in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989 be applied to proprietary activities unless they (FASB Statements and Interpretations, ARB Opinions, and ARBs) conflict with or contradict GASB pronouncements

GASB Statement No 20 also states that for proprietary activities management may elect to apply all FASB Statement and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements Proprietary activities under control of the City will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB

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 assets 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 assets (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 assets

Basis of Accounting

In the government-wide statement of net assets 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 Assets 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 Assets 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 assets 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 assets – Consist of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation

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

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

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

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

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

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

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

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

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

E. Revenues, Expenditures, and Expenses

Ad Valorem Taxes

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

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

Sales Taxes

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

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

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

Operating (Non-operating) Revenues and Expenses

Operating (Nonoperating) Revenues and Expenses

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

Expenditures/Expenses

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

In the fund financial statements, expenditures are classified as follows

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

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

Interfund Transfers

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

F Budget and Budgetary Accounting

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

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

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

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

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

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

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

7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles of the United States of America. Budgeted amounts are as originally adopted or as amended from time to time by the Board of Aldermen The budget was amended prior to the fiscal year and December 31, 2011.

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 Comparative Data

Comparative data for the prior year is presented for the year ended December 31, 2010 All data for the current year is presented for the year ended December 31, 2011.

NOTE B– STATEMENT OF CASH FLOWS

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

a Readily convertible to known amounts of cash

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

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

Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as investing activities. Cash flows from operating activities generally are the cash effects of transactions and other events that enter into the determination of operating income.

Non capital financing activities include borrowing money for purposes other than to acquire, construct, or improve capital assets and repaying those amounts borrowed, including interest.

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

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

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

NOTE C-AD VALOREM TAXES

For the twelve months ended December 31, 2011, the 2011 tax roll taxes of 23.34 mills were levied on property with assessed valuations totaling $5,298,870 and were dedicated as follows.

General Corporate Purposes	6.59	Mills
Street Maintenance	6.89	Mills
Street Construction	4.93	Mills
Police Protection	1.97	Mills
Recreation	2 96	Mills
Total	23.34	

Total taxes levied were $123,676

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

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011, is as follows

	Balance 12/31/2010	Additions	Retirements	Balance 12/31/2011
Governmental activities				
Capital assets not being depreciated				
Land	$ 83,732	$ -	$ -	$ 83,732
Capital assets being depreciated				
Machinery and Equipment	497,910	21,359	-	519,269
Improvements	2,241,583	26,516	-	2,268,099
Buildings	1,075,948	-	-	1,075,948
Total capital assets	3,899,173	47,875	-	3,947,048
Less accumulated depreciation				
Machinery and Equipment	(397,046)	(30,741)	-	(427,787)
Improvements	(1,324,951)	(91,848)	-	(1,416,799)
Buildings	(137,921)	(25,225)	-	(163,146)
Total accumulated depreciation	(1,859,918)	(147,814)	-	(2,007,732)
Governmental activities capital assets, net	$2,039,255	$ (99,939)	$ -	$1,939,316
Business type activities				
Capital assets not being depreciated				
Land	$ 121,125	$ -	$ -	$ 121,125
Capital assets being depreciated				
Machinery and Equipment	2,138,448	13,639	-	2,152,087
Total capital assets	2,259,573	13,639	-	2,273,212
Less accumulated depreciation				
Machinery and Equipment	(554,232)	(59,481)	-	(613,713)
Total accumulated depreciation	(554,232)	(59,481)	-	(613,713)
Business type activities capital assets, net	$1,705,341	$ (45,842)	$ -	$1,659,499

Depreciation expense was charged to functions as follows

Governmental activities	
General government	$ 30,952
Public safety (Police)	13,977
Recreation	13,124
Streets	89,761
Total governmental activities	147,814
Business-type activities	
Sewer utility	59,481
Total business-type activities	59,481
Total depreciation expense	$ 207,295

NOTE E –LONG-TERM LIABILITIES

Long-Term Liability Activity:

Long-term liability activity for the year ended December 31, 2011, was as follows.

	Balance 12/31/2010	Additions	Retirements	Balance 12/31/2011
Governmental Activities				
Bonds Payable	$ 497,897	$ -	$ 53,298	$ 444,599
Total Governmental Activities	497,897	-	53,298	444,599
Business-Type Activities				
Notes Payable	434,433	-	5,024	429,409
Total Business-Type Activities	434,433	-	5,024	429,409
Total Government	$ 932,330	$ -	$ 58,322	$ 874,008

Description of Debt

Governmental Activities:

Debt Service Fund – The Village issued $742,000 Revenue Bonds, Series 2002 in January 2003 for the purpose of constructing and repairing public streets and roadways in the Village. The bonds bear interest at the rate of 5% per annum and mature over a period of fifteen years Interest payments are due semi-annually on June 1 and December 1 Principal payments are due annually on December 1

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

Debt service requirements to maturity are as follows.

Year Ended	Principal Amounts	Interest Amounts
12/31/2012	53,000	11,679
12/31/2013	56,000	9,017
12/31/2014	59,000	6,204
12/31/2015	62,000	3,242
12/31/2016	8,000	367
Total	$ 238,000	$ 30,509

The bonds are secured by and payable solely from the pledge and dedication of the excess of annual revenues of the Village and the proceeds of the Village's two percent (2%) sales tax.

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

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

Year Ended	Principal Amounts	Interest Amounts
12/31/2012	2,395	8,477
12/31/2013	2,496	8,376
12/31/2014	2,601	8,271
12/31/2015	2,710	8,162
12/31/2016	2,824	8,048
12/31/17-12/31/21	16,004	38,356
12/31/22-12/31/26	19,664	34,696
12/31/27-12/31/31	24,159	30,201
12/31/32-12/31/36	29,682	24,678
12/31/37-12/31/41	36,469	17,891
12/31/42-12/31/46	44,806	9,554
12/31/47-03/31/49	22,789	1,086
	$ 206,599	$ 197,796

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.

Estimated debt service requirements to maturity are as follows:

Year Ending	Principal Amounts	Interest Amounts
2012	5,241	18,149
2013	5,468	17,922
2014	5,705	17,685
2015	5,952	17,437
2016	6,210	17,179
2017-2021	35,327	81,619
2022-2026	43,675	73,271
2027-2031	53,995	62,951
2032-2036	66,755	50,191
2037-2041	82,529	34,417
2042-2046	102,031	14,915
2047	16,521	284
Total	$ 429,409	$ 406,020

NOTE F – COLLATERALIZATION OF CASH

	Interest Bearing	Non-interest Bearing
Bank Balances at December 31, 2011		
Citizens Bank	$ 226,286	$ 109,171
Less Amount Insured by FDIC	(250,000)	(250,000)
	(23,714)	(140,829)
Guaranty Bank	110,385	-
Less Amount Insured by FDIC	(250,000)	-
	(139,615)	-
Less Amount Collateralized with Securities Pledged in the Village's Name	-	-
(Over)/Under Collateralized Bank Balances at December 31, 2011	$ (163,329)	$ (140,829)

The Village's cash was adequately collateralized at December 31, 2011

NOTE G – INTERFUND RECEIVABLES, PAYABLES

	Interfund Receivables	Interfund Payables
General Fund		
Due to Street Maintenance	$ -	$ 144
Due to Street Construction	-	3,024
Due from Sewer Fund	114	-
Special Revenue Funds		
Sales Tax Fund		
Due from Sewer Fund	39	-
Street Maintenance Fund		
Due from General Fund	144	-
Street Construction Fund		
Due from General Fund	3,024	-
Proprietary Fund		
Due to General Fund		114
Due to Sales Tax Fund		39
TOTALS	$ 3,321	$ 3,321

NOTE H – COMPENSATION OF MAYOR AND BOARD OF ALDERMEN

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

	Salary	Expenses
Terry Savant (Mayor)	$ 12,000	$ 3,300
Quint West	3,000	2,400
Tammy Hammond	3,000	2,400
Debbie Ogé	3,000	2,400
Total	$ 21,000	$ 10,500

NOTE I—MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)

Plan Description- All full-time police department employees engaged in law enforcement are eligible to participate in the System Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination The System also provides death and disability benefits Benefits are established by state statute

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, (225) 929-7411

Funding Policy- Plan members are required by state statute to contribute 10.0% of their annual covered salary and the Village is required to contribute at an actuarially determined rate. The rate for the first six months of 2011 was 25.0 % of covered payroll. The current rate is 26 5% of annual covered payroll. The contribution requirements of plan members and the Village are established and may be amended by state statute. As provided by R S. 11 103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village's contributions to the System for the year ending December 31, 2011, were $14,591, equal to the required contributions for that year, on covered payroll of $56,044.

NOTE J-MUNICIPAL EMPLOYEE'S RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)

Eligible employees of the Village participate in the Municipal Employee's Retirement System, which is a cost-sharing, multiple-employer defined benefit public employee retirement system. The plan is controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan Description - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions All electing employees of the municipality are members of Plan B.

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

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding Policy – Under Plan B, members are required by state to contribute 5 0% of their annual covered salary and the Village is required to contribute at an actuarially determined rate The current rate is 8.00% Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Village are established and may be amended by the state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village's contributions to the System under Plan B for the year ending December 31, 2011 was $7,858, equal to the required contributions for the year, on covered wages of $105,620

NOTE K – SUBSEQUENT EVENTS

The Village has evaluated subsequent events through May 23, 2012, the date which the financial statements were available to be issued.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF PINE PRAIRIE
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2011

	Budget Original	Budget Final	Actual	Budget Variance Positive/ (Negative)
Revenues:				
Taxes Ad valorem	$ 60,430	$ 60,683	$ 61,044	$ 361
Franchise	47,000	45,332	50,052	4,720
Licenses	37,814	48,281	34,112	(14,169)
Fines and Forfeits	36,000	154,690	198,501	43,811
Prison Fees	40,000	28,278	35,183	6,905
Miscellaneous & Grants	7,150	58,400	86,248	27,848
Total Revenues	228,394	395,664	465,140	69,476
Expenditures:				
Current:				
General Government	258,125	260,493	247,864	12,629
Public Safety	76,121	155,125	158,110	(2,985)
Capital Outlay	15,000	49,410	47,875	1,535
Debt Service	11,560	11,000	10,872	128
Total Expenditures	360,806	476,028	464,721	11,307
Other Financing Sources / (Uses)				
Interest Income	-	-	1,454	1,454
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	(8,862)	(8,862)	-
Total Other Financing Sources/(Uses)	-	(8,862)	(7,408)	1,454
Net change in fund balances	$ (132,412)	$ (89,226)	(6,989)	$ 82,237
Fund Balance, Beginning Of Year			205,432	
Fund Balance, End Of Year			$ 198,443	

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, 2011

	Budget Original	Budget Final	Actual	Budget Variance Positive/ (Negative)
Revenues:				
Taxes Ad Valorem	$ 62,004	$ 63,000	$ 62,632	$ (368)
Sales	145,128	158,000	173,312	15,312
Miscellaneous	-	2,351	2,553	202
Total Revenues	207,132	223,351	238,497	15,146
Expenditures:				
Current				
Street Department	225,741	165,832	163,513	2,319
Debt Service	63,000	65,450	65,450	-
Capital Outlay	107,908	1,767	-	1,767
Total Expenditures	396,649	233,049	228,963	4,086
Other Financing Sources / (Uses)				
Interest Income	-	-	3,141	3,141
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	3,141	3,141
Net Change in Fund Balances	$ (189,517)	$ (9,698)	12,675	$ 22,373
Fund Balance, Beginning Of Year			465,691	
Fund Balance, End Of Year			$ 478,366	

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUNDS

Street Maintenance Fund	To account for the receipt and use of proceeds of the Village's 7.00 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 5.00 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, 2011

	Street Maintenance Tax Fund	Street Construction Tax Fund	Sales Tax Fund	Totals
ASSETS:				
Cash and Interest-Bearing Deposits	$ 24,039	$ 110,385	$ 257,205	$ 391,629
Ad Valorem Taxes Receivable	29,376	21,906	-	51,282
Sales Tax Receivable	-	-	35,910	35,910
Due from Sewer Fund	-	-	39	39
Due from General Fund	144	3,024	-	3,168
Total Assets	$ 53,559	$ 135,315	$ 293,154	$ 482,028
LIABILITIES AND FUND BALANCES:				
Liabilities				
Accounts Payable	$ 2,771	$ -	$ -	$ 2,771
Payroll Liabilities	18	-	873	891
Total Liabilities	2,789	-	873	3,662
Fund Balances				
Restricted for				
Debt Service	-	-	3,530	3,530
Street Projects	50,770	135,315	288,751	474,836
Unassigned	-	-	-	-
Total Fund Balances	50,770	135,315	292,281	478,366
Total Liabilities and Fund Balances	$ 53,559	$ 135,315	$ 293,154	$ 482,028

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, 2011

	Street Maintenance Tax Fund	Street Construction Tax Fund	Sales Tax Fund	Totals
Revenue:				
Tax Sales	$ -	$ -	$ 173,312	$ 173,312
Ad valorem	36,509	26,123	-	62,632
Miscellaneous	1,691	1	861	2,553
Total Revenues	38,200	26,124	174,173	238,497
Expenditures:				
Current.				
Street Department	63,613	194	99,706	163,513
Debt Service	-	-	65,450	65,450
Total Expenditures	63,613	194	165,156	228,963
Other Financing Sources/(Uses)				
Interest Income	-	867	2,274	3,141
Total Other Financing Sources/(Uses)	-	867	2,274	3,141
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES/(USES)	(25,413)	26,797	11,291	12,675
FUND BALANCE, BEGINNING OF YEAR	76,183	108,518	280,990	465,691
FUND BALANCE, END OF YEAR	$ 50,770	$ 135,315	$ 292,281	$ 478,366

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

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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 the financial statements of the governmental activities, the business-type activities and each major fund of the Village of Pine Prairie, Louisiana (Village) as of and for the year ended December 31, 2011, which collectively comprise the Village's basic financial statements and have issued my report thereon dated May 23, 2012 We 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

Internal Control Over Financial Reporting

Management of the Village of Pine Prairie, Louisiana, is responsible for establishing and maintaining effective internal control over financial reporting In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting Accordingly we 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 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

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies, or material weaknesses We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses as item #2011-1, that we consider to be a significant deficiency in internal control over financial reporting. 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

<u>Compliance and Other Matters</u>

As part of obtaining reasonable assurance about whether the Village of Pine Prairie, Louisiana's, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings and responses We did not audit the Village's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Mayor and Board of Alderman, others within the entity, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Vige, Tujague & Noel

Vige, Tujague & Noel
Eunice, Louisiana

May 23, 2012

VILLAGE OF PINE PRAIRIE
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2011

We have audited the basic financial statements of the Village of Pine Prairie, Louisiana as of and for the year ended December 31, 2011, and have issued our report thereon dated May 23, 2012 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, 2011, resulted in an unqualified opinion

Section I. Summary of Auditor's Reports

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

Internal Control
Material Weaknesses ___ Yes _X_ No
Significant Deficiencies _X_ Yes __ No

Compliance and other Matters Required to be Reported Under Government Auditing Standards ___Yes _X_ No

Section II. Financial Statement Findings.

2011-1. Inadequate Segregation of Duties

Finding: The segregation of duties is inadequate to provide effective internal control

Cause The condition is due to economic and space limitations

Recommendation No action is recommended

Response We concur to the recommendation

Section III. Management Letter

None Issued

VILLAGE OF PINE PRAIRIE
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2011

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

2011-1. Inadequate Segregation of Duties

Finding	The segregation of duties is inadequate to provide effective internal control
Cause	The condition is due to economic and space limitations
Recommendation	No action is recommended
Response	We concur in the recommendation
Status	This finding is repeated

2011-2. Delinquent Audit Report

Finding	The Village did not submit its audit report to USDA by March 31, 2011
Cause	The Village's personnel lacks training in implementation of generally accepted accounting principles and financial statement preparation, including notes to the financial statements, therefore the Village must rely on its CPA to prepare the financial statements This results in the audit report not being filed with USDA in the required time period
Recommendation	Management should request an extension of time to file this report in the future
Response	Management will request an extension of time to file this report in the future
Status	This finding is cleared

Section III. Management Letter

None Issued

VILLAGE OF PINE PRAIRIE
SCHEDULE OF INSURANCE
December 31, 2011

TYPE	AMOUNT	EXPIRATION DATE
Automobile Liability	$ 500,000	5/1/2013
Commercial General Liability	500,000	5/1/2013
Law Enforcement Officer's Comprehensive Liability	500,000	5/1/2013
Public Officials' Errors and Omissions Liability	500,000	5/1/2013
Worker's Compensation	500,000	1/1/2012
Commercial Property		
Building & Contents	3,206,900	8/28/2012
Equipment	2,025,000	8/28/2012
Fidelity Bond – Public Employees	100,000	5/16/2012
Honesty Bond	2,500	10/28/2012
Vehicle Physical Damage	56,825	6/15/2012

VILLAGE OF PINE PRAIRIE
SCHEDULE OF METERS AND RATES AND ACCOUNTS RECEIVABLE
December 31, 2011

Accounts Receivables were aged as follows

0 – 30 days	$ 8,806
31 – 60 days	1,102
Over 60 days	7,140
	$ 17,048

The Village's monthly sewer rates at December 31, 2011 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 fist 100,000 gallons of water used and $.61 for each 1000 gallons used thereafter

As of December 31, 2011, the Village had 347 residential customers and 3 commercial customers and 2 school customers on its sewer system

VILLAGE OF PINE PRAIRIE
SCHEDULE OF MAYOR AND ALDERMEN
December 31, 2011

Current officials of the Village are as follows:

Name	Address/Telephone	Term
Terry Lee Savant, Mayor	P.O Box 735 Pine Prairie, LA 70576 337-599-2977	1/1/09-12/31/13
Tammy Hammond, Council Member	P.O. Box 185 Pine Prairie, LA 70576 337-599-2014	1/1/09 – 12/31/13
Debbie Oge, Council Member	P.O. Box 231 Pine Prairie, LA 70576 337-599-2690	1/1/09 – 12/31/13
Quint West, Council Member	P.O Box 424 Pine Prairie, LA 70576 337-599-2898	1/1/09 – 12/31/13

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, 2011

2011-1 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

Terry L Savant, Mayor