

# Village of Pleasant Hill

Pleasant Hill, Louisiana

Annual Financial Statements  
with Independent Auditor's Report

As of and For the Year Ended  
December 31, 2023  
with Supplemental Information Schedules

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Village of Pleasant Hill  
Annual Financial Statements  
with Independent Auditor's Report

As of and for the year ended December 31, 2023  
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**Independent Auditor's Report**

Village of Pleasant Hill  
Pleasant Hill, Louisiana

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Pleasant Hill, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village of Pleasant Hill's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Pleasant Hill, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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

**Responsibility of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Pleasant Hill's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

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

## **Required Supplementary Information**

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

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

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Pleasant Hill's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head, the Schedule of Compensation Paid Aldermen, and the Schedule of Justice System Funding are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head, the Schedule of Compensation Paid Aldermen, and the Schedule of Justice System Funding are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The Schedule of Compensation, Benefits, and Other Payments to Agency Head, the Schedule of Compensation Paid Aldermen, and the Schedule of Justice System Funding are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated July 30, 2024 on our consideration of the Village of Pleasant Hill's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village of Pleasant Hill's internal control over financial reporting and compliance.

## **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued our report dated July 30, 2024, on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of our testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*Kenneth D. Folden & Co., CPAs, LLC*

Jonesboro, Louisiana  
July 30, 2024

# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**



Village of Pleasant Hill  
Pleasant Hill, Louisiana

Statement of Net Position  
As of December 31, 2023

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and equivalents	\$ 616,869	\$ 28,362	\$ 645,231
Accounts receivable	31,407	26,059	57,466
Due from other funds	38,492	-	38,492
Cash and equivalents - restricted	-	30,381	30,381
Capital assets (net of accumulated depreciation)	<u>641,491</u>	<u>1,735,522</u>	<u>2,377,013</u>
<b>Total Assets</b>	<u>1,328,259</u>	<u>1,820,324</u>	<u>3,148,583</u>
<b>Liabilities</b>			
Accounts payable	5,496	4,907	10,403
Payroll liabilities	5,294	-	5,294
Due to other funds	-	38,492	38,492
Customer meter deposits	<u>-</u>	<u>15,880</u>	<u>15,880</u>
<b>Total Liabilities</b>	<u>10,790</u>	<u>59,279</u>	<u>70,069</u>
<b>Net Position</b>			
Net investment in capital assets	641,491	1,735,522	2,377,013
Restricted	-	15,880	15,880
Unrestricted	<u>675,980</u>	<u>9,643</u>	<u>685,623</u>
<b>Total Net Position</b>	<u>\$ 1,317,471</u>	<u>\$ 1,761,045</u>	<u>\$ 3,078,516</u>

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

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Statement of Activities  
For the Year Ended December 31, 2023

Expenses	Major Funds			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<u>Functions/Programs</u>						
Primary government						
Governmental activities						
General government	\$ 94,500	\$ -	\$ 1,550	\$ -	\$ -	\$ (92,950)
Police	69,556	-	-	(69,556)	-	(69,556)
Highways and streets	54,198	-	-	(54,198)	-	(54,198)
Total governmental activities	218,254	-	1,550	(216,704)	-	(216,704)
Business-type activities						
Water and sewer	300,779	158,363	-	-	(142,416)	(142,416)
Total primary government	\$ 519,033	\$ 158,363	\$ 1,550	(216,704)	(142,416)	(359,120)
<u>General Revenues</u>						
Taxes:						
Property taxes, levied for general purposes				20,105	-	20,105
Sales taxes				141,047	-	141,047
Franchise taxes				32,092	-	32,092
Licenses				24,773	-	24,773
Investment earnings				2,447	-	2,447
Other revenue				108,415	8,615	117,030
Operating transfers				-	-	-
Total general revenues and transfers				328,879	8,615	337,494
Change in net position				112,175	(133,801)	(21,626)
Net position - December 31, 2022				1,205,297	1,894,846	3,100,143
Net position - December 31, 2023				\$ 1,317,472	\$ 1,761,045	\$ 3,078,517

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

# **FUND FINANCIAL STATEMENTS**

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Balance Sheet - Governmental Funds  
As of December 31, 2023

	Governmental Funds
<b>Assets</b>	
Cash and equivalents	\$ 616,869
Accounts receivable	31,407
Due from other funds	38,492
<b>Total Assets</b>	<b>\$ 686,768</b>
<b>Liabilities &amp; Fund Balances</b>	
Liabilities:	
Accounts payable	\$ 5,496
Payroll liabilities	5,294
<b>Total Liabilities</b>	<b>10,790</b>
Fund balances:	
Unassigned, reported in:	
General revenue fund	675,980
<b>Total Fund Balances</b>	<b>675,980</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 686,770</b>

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

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
As of December 31, 2023

Total Fund Balances at December 31, 2023 - Governmental Funds (Statement C)	\$	675,980
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Total Net Position reported for governmental activities in the Statement of Net Position (Statement A) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds, net of depreciation.	<u>641,491</u>
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Net Position at December 31, 2023	<u>\$</u>	<u>1,317,471</u>
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Village of Pleasant Hill  
Pleasant Hill, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds  
For the Year Ended December 31, 2023

	Governmental Funds
<b>Revenues</b>	
Taxes:	
Ad valorem tax	\$ 20,105
Franchise tax	32,092
Sales tax	141,047
Licenses and permits	24,773
Operating grant	1,550
Fines, forfeitures, and court costs	97,570
Miscellaneous	10,845
<b>Total revenues</b>	327,982
<b>Expenditures</b>	
Current:	
General government	92,350
Public safety	
Police	69,556
Streets	30,449
Capital outlay	59,772
<b>Total expenditures</b>	252,127
<b>Excess (deficiency) of revenues over (under) expenditures</b>	75,855
<b>Other financing sources (uses)</b>	
Interest earnings	2,447
<b>Total other financing sources (uses)</b>	2,447
<b>Net changes in fund balances</b>	78,302
<b>Fund balances - December 31, 2022</b>	597,679
<b>Fund balances - December 31, 2023</b>	\$ 675,981

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

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,  
and Changes in Funds Balances to the Statement of Activities  
For the Year Ended December 31, 2023

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	78,301
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differs from depreciation for the period.

Depreciation	(25,899)
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Capital outlay	<u>59,772</u>
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Change in net position of governmental activities (Statement B)	\$	<u><u>112,174</u></u>
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Village of Pleasant Hill  
Pleasant Hill, Louisiana

Statement of Net Position - Proprietary Fund  
As of December 31, 2023

	Water & Sewer Fund
<b>Assets</b>	
Current Assets:	
Cash and equivalents	\$ 28,362
Accounts receivable	<u>26,059</u>
Total Current Assets	<u>54,421</u>
Noncurrent Assets:	
Cash and equivalents - restricted	30,381
Capital assets (net of accumulated depreciation)	<u>1,735,522</u>
Total Noncurrent Assets	<u>1,765,903</u>
<b>Total Assets</b>	<u>1,820,324</u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts payable	4,907
Due to other funds	<u>38,492</u>
Total Current Liabilities	<u>43,399</u>
Current liabilities payable from restricted assets	
Customer meter deposits	<u>15,880</u>
<b>Total Liabilities</b>	<u>59,279</u>
<b>Net Position</b>	
Net investment in capital assets	1,735,522
Restricted	15,880
Unrestricted	<u>9,643</u>
<b>Total Net Position</b>	<u>\$ 1,761,045</u>

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



Village of Pleasant Hill  
Pleasant Hill, Louisiana

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund  
For the Year Ended December 31, 2023

	Water & Sewer Fund
<b>Operating Revenues</b>	
Water sales	\$ 98,088
Sewer fees	60,275
Miscellaneous income	8,615
Total operating revenues	166,978
<b>Operating Expenses</b>	
Personnel services	87,998
Supplies	19,857
Utilities	28,118
Repairs and maintenance	28,944
Contractual services	22,199
Miscellaneous	5,060
Depreciation	108,604
Total operating expenses	300,780
<b>Operating Income (Loss)</b>	(133,802)
<b>Change in net position</b>	(133,802)
<b>Total Net Position - December 31, 2022</b>	1,894,846
<b>Total Net Position - December 31, 2023</b>	\$ 1,761,044

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

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Statement of Cash Flows - Proprietary Fund  
For the Year Ended December 31, 2023

	Water & Sewer Fund
<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 166,978
Cash payments to suppliers for goods and services	(107,944)
Cash payments to employees	(87,998)
Net cash provided by (used for) operating activities	<u>(28,964)</u>
<b>Cash flows from non-capital financing</b>	
Change in due to/due from other funds	115,896
Net cash provided by (used for) non-capital financing activities	<u>115,896</u>
<b>Cash flows from capital and related financing activities</b>	
Acquisition of capital assets	(59,736)
Other revenue	-
Net cash provided by (used for) capital and related financing activities	<u>(59,736)</u>
<b>Cash flows from investing activities</b>	
Interest earnings	-
Net cash provided by (used for) investing activities	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	27,196
<b>Cash and cash equivalents - December 31, 2022</b>	<u>33,546</u>
<b>Cash and cash equivalents - December 31, 2023</b>	<u><u>\$ 60,742</u></u>
<b>Reconciliation of operating income to net provided by operating activities</b>	
Operating income	\$ (133,802)
Adjustments	
Depreciation	108,604
Net changes in assets and liabilities	
Accounts receivable	(3,019)
Customers' security deposits	315
Accounts payable	(3,062)
Net cash provided for (used for) operating activities	<u><u>\$ (30,964)</u></u>

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

**NOTES TO THE  
FINANCIAL STATEMENTS**

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2023

## **INTRODUCTION**

The Village of Pleasant Hill, Louisiana (Village), was incorporated under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Aldermen form of government with three aldermen. Services provided by the Village include police protection, street maintenance, recreation and parks, water and sewer services, and general administrative services. The Village is located in Sabine Parish, Louisiana.

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Basis of Presentation**

The accompanying financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Village applies all relevant GASB pronouncements, and GAAP, as applicable to governmental entities. Also, the Village's financial statements are prepared in accordance with the requirements of Louisiana R.S. 24:513, the Louisiana Municipal Audit and Accounting Guide and to the industry guide, Audits of State and Local Government Units, published by the American Institute of Certified Public Accountants.

#### **B. Reporting Entity**

GASB Statement No. 14, The Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, since it is a general purpose local 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 bonded debt.

GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, establishes criteria for determining which, if any, component units should be considered part of the Village for financial reporting purposes. GASB Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
  - i. The ability of the government to impose its will on that organization and/or
  - ii. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2023

Based on the above criteria, no component units were identified for the Village of Pleasant Hill.

**C. Government-Wide Financial Statements**

The Village's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements present summaries of the governmental activities and the business-type activities for the Village. Fiduciary activities of the Village are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village of Pleasant Hill's governmental activities.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the Village's taxpayers or citizenry, including (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; program revenues reduce the cost of the function to be financed from the Village's general revenues.

Direct Expenses - The Village reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Indirect Expenses - The Village reports all indirect expenses separately on the Statement of Activities (Statement B). Indirect expenses are those expenses that are not clearly identifiable with a function. Interest on long-term debt is considered an indirect expense.

General revenues are taxes and other items that are not properly included among program revenues. The effect of interfund activity has been removed from the government-wide financial statements.

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2023

**D. Fund Financial Statements**

The accounts of the Village of Pleasant Hill are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, expenditures or expenses, as appropriate, additions, and deductions. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Funds of the Village are classified into two categories: governmental and proprietary.

**Governmental Funds**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Village has presented all major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheets. Amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Long-term debts are reported as an other financing source, and repayment of long-term debt is reported as an expenditure. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. Accordingly, revenues are recorded when received in cash and when collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

The Village of Pleasant Hill reports the following major governmental funds:

General Fund - The primary operating fund of the Village, the General Fund accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Village policy.

*Revenues*

The governmental funds use the following practices in recording revenues:

Those revenues susceptible to accrual are property taxes, franchise taxes, and charges for services. Fines and permit and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2023

Entitlements and shared revenues are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred, all other grant requirements have been met, and the susceptible-to-accrual criteria have been met.

Interest earnings are recorded when the investments have matured and the interest is available.

*Expenditures*

The governmental funds use the following practices in recording expenditures:

Salaries are recorded as expenditures when earned by employees.

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death.

Principal and interest on long-term debt are recognized when due.

*Other Financing Sources (Uses)*

The governmental funds use the following practices in recording other financing sources (uses):

Transfers between funds that are not expected to be repaid, sales of fixed assets, and long-term debt proceeds and payments, are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**Proprietary Funds**

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total position) is segregated into three components-investment in capital assets, restricted net position, and unrestricted net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. The proprietary funds use the accrual basis of accounting, where revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows.

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

The Enterprise Fund of the Village of Pleasant Hill is the Water and Sewer Fund, which accounts for the operations of the waterworks and sewerage systems. The intent of the Village for these facilities is (a) that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) that 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.

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2023

*Revenues and Expenses*

Operating revenues in the proprietary fund are those that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**E. Equity Classifications**

The Village of Pleasant Hill has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and reported in three components:

Net investment in capital assets: This classification 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 borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Restricted net position: This classification consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted net position: Any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

The Governmental Fund Financial Statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Village did not have any nonspendable funds for the year ended December 31, 2023.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Village had no restricted funds for the year ended December 31, 2023.



Village of Pleasant Hill  
Pleasant Hill, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2023

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Aldermen. These amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board typically establishes commitments through the adoption and amendment of the budget. The Village did not have any committed funds for the year ended December 31, 2023.

Assigned: This classification includes amounts that are constrained by the Village's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Aldermen or through the Board delegating this responsibility to a body or official (Mayor) for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Village has no assigned funds for year ended December 31, 2023.

Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. All funds of the Village are designated as unassigned.

The Village would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

#### **F. Budgets**

Formal budgetary accounting is employed as a management control. The 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.

A resolution for the 2023 proposed budget was adopted on December 7, 2022 by the Mayor and Board of Aldermen. A resolution to amend the budget was adopted on December 6, 2023.

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2023

**G. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village of Pleasant Hill may deposit funds in demand deposits in stock-owned federally insured depository institutions organized under the laws of the state of Louisiana or of any other state of the United States, or under the laws of the United States. The Village may invest in certificates and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For the purposes of the statement of cash flows, cash equivalents include all highly liquid investments with a maturity date of 90 days or less when purchased.

Under state law, the Village may invest in United States bonds, treasury notes, or certificates. Those with maturities of 90 days or less would be classified as cash equivalents and all other reported as investments.

The Village reports restricted assets on the Statement of Net Position (Statement A), which includes restricted cash (customer deposits) that is collected by the Water and Sewer Department.

**H. Investments**

The Village of Pleasant Hill's investments comply with Louisiana Revised Statute 33:2955. Under state law, the Village may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Village may invest in United States bonds, treasury notes and bills, or government-backed agency securities or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These deposits are classified as investments if their original maturities exceed 90 days. Investments are stated at fair value except for the following, which are permitted under GASB Statement No. 31:

Investments in non-participating interest earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Village reported at amortized cost money market investments and participating interest-bearing investment contracts that have a remaining maturity at the time of purchase of one year or less. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

**I. Interfund Receivables and Payables**

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" on the fund financial statements balance sheets, as well as all other outstanding balances between funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**J. Inventories**

Inventories of supplies in the Proprietary Fund are not material and are charged to operations as purchased.

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2023

**K. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are recorded in the applicable governmental or business-type activities columns of the government-wide financial statements, but are not reported in the governmental fund financial statements. Acquisitions of property and equipment are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the Statement of Activities.

Buildings and other improvements	10-40 years
Moveable property	5-10 years

In accordance with GASB Statement No. 34, general infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before July 1, 2003, are excluded from capital assets.

**L. Deferred Outflows of Resources**

The Village reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Village did not report any deferred outflows of resources, and no deferred outflows of resources affect the governmental funds financial statements.

**M. Compensated Absences**

Employees earn either one, two, or three weeks of vacation time each year, depending upon years of service. Employees earn five days to ten days of sick leave each year. Vacation and sick leave cannot be accumulated.

**N. Deferred Inflows of Resources**

The Village reports increases in net position that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Village will not recognize the related revenues until a future event occurs. The Village did not report any deferred inflows of resources in the government-wide and proprietary fund statements, and no deferred inflows of resources affect the governmental funds financial statements.

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2023

**O. Interfund Transactions**

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or enterprise funds are netted as part of the reconciliation to the government-wide financial statements.

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as an expenditure by the providing fund.

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from other funds" or "due to other funds" on the Fund Financial Statements Balance Sheet (Statement C), as well as all other outstanding balances between funds.

In the process of aggregating data for the Statement of Net Position (Statement A) and the Statement of Activities (Statement B), some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**P. 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.

**2. Ad Valorem Tax**

All ad valorem tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts through the establishment of an allowance account. Ad valorem taxes are levied on a calendar year basis and become delinquent on December 31. The Village bills and collects its own ad valorem taxes. For the 2023 ad valorem taxes, two rates of tax were levied on property within the corporate limits with an assessment value of \$2,225,307, as follows:

- 4.15 mills for the general maintenance of the Village
- 4.37 mills for the street maintenance of the Village

This millage was approved by the Board of Aldermen on September 6, 2023. This millage is the maximum millage that can be assessed without the approval of the voters of the Village. Total taxes levied were \$20,105 at December 31, 2023.

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2023

**3. Sales Tax**

The qualified electors of the Village of Pleasant Hill, under the provisions of Louisiana Revised Statute 47:338.1, authorized a one percent sales and use tax levy to be dedicated and used for the purpose of providing funding for any lawful corporate purpose of the Village for an undefined period of time.

**4. Cash, Cash Equivalents, and Investments**

At December 31, 2023, the Village had cash and cash equivalents (book balances) totaling \$675,612, including \$120 cash on hand. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At December 31, 2023, the Village had funds (book balances) totaling \$68,878 on deposit at LAMP, including restricted funds of \$14,508, which are stated at cost. 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 laws of the State of Louisiana. LAMP accepts deposits from public entities. Upon making 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.

At December 31, 2023, the Village had \$682,676 in deposits (collected bank balances). These deposits are secured from risk by \$318,878 in federal deposit insurance, and \$483,978 of pledged securities held in a Federal Reserve pledge account. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 40, Louisiana Revised Statute 30:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. Louisiana R.S. 39:1224 requires bonds, or other such instruments furnished as security, to be deposited with the depositing authority or with an unaffiliated bank or trust company, Federal Reserve Bank, or any Federal Home Loan Bank or its successor. This security is deemed to be under the control and in the possession of the public entity and deemed to be held in its name. The Village of Pleasant Hill has complied with these requirements of state law.

Cash and investments are categorized to give an indication of the level of risk assumed by the Village at December 31, 2023. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The Village of Pleasant Hill has cash and cash equivalents that are covered by \$318,878 of federal depository insurance.

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, 2023, the Village had no investments.

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2023

**5. Receivables**

The receivables of \$55,466 at December 31, 2023, are as follows:

	Fund		
	General	Enterprise	Total
Sales taxes	\$ 9,124	\$ -	\$ 9,124
Ad valorem taxes	4,277	-	4,277
Franchise taxes	6,005	-	6,005
Services	-	26,059	26,059
Other	12,000	-	12,000
Total	<u>\$ 31,406</u>	<u>\$ 26,059</u>	<u>\$ 57,465</u>

**6. Capital Assets**

A summary of changes in capital assets for the year ended December 31, 2023, is as follows:

A. Capital Assets - Governmental Funds

	Balance, January 01, 2023	Additions	Deletions	Balance, December 31, 2023
Capital assets not depreciated				
Land	\$ 3,100	\$ -	\$ -	\$ 3,100
Total capital assets not being depreciated	<u>3,100</u>	<u>-</u>	<u>-</u>	<u>3,100</u>
Capital assets being depreciated				
Buildings and other improvements	1,034,517	56,400	-	1,090,917
Equipment, furniture, and fixtures	<u>101,654</u>	<u>3,372</u>	-	<u>105,026</u>
Total capital assets being depreciated	<u>\$ 1,136,171</u>	<u>\$ 59,772</u>	<u>\$ -</u>	<u>\$ 1,195,943</u>
Less accumulated depreciation				
Buildings and other improvements	\$ 430,653	\$ 25,787	\$ -	\$ 456,439
Equipment, furniture, and fixtures	<u>101,000</u>	<u>112</u>	-	<u>101,113</u>
Total accumulated depreciation	<u>531,653</u>	<u>25,899</u>	<u>-</u>	<u>557,552</u>
Capital assets, net	<u>\$ 604,518</u>	<u>\$ 33,873</u>	<u>\$ -</u>	<u>\$ 638,391</u>
Governmental capital assets - net	<u>\$ 607,618</u>	<u>\$ 33,873</u>	<u>\$ -</u>	<u>\$ 641,491</u>

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2023

Functional Allocation of Depreciation Expense

General government	\$	2,150
Highways and streets		23,749
Total	\$	25,899

**B. Capital Assets - Proprietary Funds**

	Balance, January 01, 2023	Additions	Deletions	Balance, December 31, 2023
Capital assets not depreciated				
Construction in progress	\$ 944,529	\$	\$ 944,529	\$
Total capital assets not being depreciated	944,529	-	944,529	-
Capital assets being depreciated				
Distribution System	\$ 3,123,664	\$ 948,029	\$ -	\$ 4,071,693
Equipment	89,709	56,235	-	145,945
Total capital assets being depreciated	\$ 3,213,374	\$ 1,004,264	\$ -	\$ 4,217,638
Less accumulated depreciation				
Distribution System	\$ 2,316,224	\$ 102,320	\$ -	\$ 2,418,543
Equipment	57,288	6,284	-	63,573
Total accumulated depreciation	\$ 2,373,512	\$ 108,604	\$ -	\$ 2,482,116
Capital assets, net	\$ 839,862	\$ 895,660	\$ -	\$ 1,735,522
Business-type capital assets - net	\$ 1,784,391	\$ 895,660	\$ 944,529	\$ 1,735,522

**7. Payables**

The payables of \$15,697 at December 31, 2023, are as follows:

	Fund		
	General	Enterprise	Total
Accounts	\$ 5,496	\$ 4,907	\$ 10,403
Payroll liabilities	5,294	-	5,294
Total	\$ 10,790	\$ 4,907	\$ 15,697

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2023

**8. Retirement Systems and Other Post Employment Benefits**

The employees of the Village of Pleasant Hill do not participate in any state administered retirement system or any group health or other medical employment benefits. The Village withholds Social Security and Medicare taxes from the wages and salaries of all employees and is obligated for the matching employer contribution for those taxes.

**9. Grants and Contributions**

During the year ended December 31, 2023, the Village of Pleasant Hill received contributions of \$1,550 from the Department of Transportation and Development to be used for general operating expenses.

**10. Risk Management and Economic Dependency**

The Village is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, and injuries to employees. To handle such risk of loss, the Village maintains commercial insurance policies covering automobile liability and uninsured motorist, surety bond coverage, flood insurance, and property insurance. In addition to the above policies, the Village maintains a general liability policy and an errors and omissions policy. No claims were paid on any of the policies during the past three years, which exceeded the policies' coverage amount.

**11. Litigation and Claims**

At December 31, 2023, the Village was not involved in any lawsuits nor is aware of any outstanding claims, which are not covered by insurance.

**12. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, July 30, 2024, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



**REQUIRED SUPPLEMENTARY  
INFORMATION**

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Budgetary Comparison Schedule - General Fund  
For the Year Ended December 31, 2023

	Budget - Original	Budget - Final	Actual	Variance - Favorable (Unfavorable)
<b>Revenues</b>				
Taxes:				
Ad valorem tax	\$ 25,600	\$ 25,600	\$ 20,105	(5,495)
Franchise tax	35,000	45,000	32,092	(12,908)
Sales tax	150,000	155,000	141,047	(13,953)
Licenses and permits	20,000	20,000	24,773	4,773
Operating grant	3,100	3,100	1,550	(1,550)
Fines, forfeitures, and court costs	50,000	50,000	97,570	47,570
Miscellaneous	9,500	10,600	10,845	245
<b>Total revenues</b>	<u>293,200</u>	<u>309,300</u>	<u>327,982</u>	<u>18,682</u>
<b>Expenditures</b>				
Current:				
General government	76,400	90,560	92,350	(1,790)
Public safety				
Police	58,700	65,800	69,556	(3,756)
Streets	40,400	32,500	30,449	2,051
Capital outlay	-	42,000	59,772	(17,772)
<b>Total expenditures</b>	<u>175,500</u>	<u>230,860</u>	<u>252,127</u>	<u>(21,267)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>117,700</u>	<u>78,440</u>	<u>75,855</u>	<u>(2,585)</u>
<b>Other financing sources (uses)</b>				
Interest earnings	100	100	2,447	2,347
<b>Total other financing sources (uses)</b>	<u>100</u>	<u>100</u>	<u>2,447</u>	<u>2,347</u>
<b>Net changes in fund balances</b>	117,800	78,540	78,302	(238)
<b>Fund balances - December 31, 2022</b>	<u>597,679</u>	<u>597,679</u>	<u>597,679</u>	<u>-</u>
<b>Fund balances - December 31, 2023</b>	<u>\$ 715,479</u>	<u>\$ 676,219</u>	<u>\$ 675,981</u>	<u>(238)</u>

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



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**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**

Village of Pleasant Hill  
Pleasant Hill, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Pleasant Hill, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village of Pleasant Hill's basic financial statements and have issued our report thereon dated July 30, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Pleasant Hill's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Pleasant Hill's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Pleasant Hill's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Pleasant Hill'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 two instances of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as Finding 2023-003 and Finding 2023-04.

### **Village of Pleasant Hill's Response to Findings**

The Village of Pleasant Hill's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Village of Pleasant Hill's response was not subjected to the auditing procedures applied in the audit of financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Kenneth D. Folden & Co., CPAs, LLC*

Jonesboro, Louisiana

July 30, 2024

# **SUPPLEMENTAL INFORMATION**

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Schedule of Findings and Questioned Costs  
For the year ended December 31, 2023

We have audited the basic financial statements of the Village of Pleasant Hill as of and for the year ended December 31, 2023 and have issued our report thereon dated July 30, 2024. 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 Governmental Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2023 resulted in an unqualified opinion.

A. Summary of Auditor's Report

Report on Internal Control and Compliance Material to Financial Statements

Internal Control

Material Weakness             Yes      X   No      Significant Deficiencies        X   Yes             No

Compliance

Compliance Material to Financial Statements             Yes      X   No

B. Findings - Financial Statements Audit

Current Year

**Finding 2023-001 Internal Control Over Expenditures Documentation**

Criteria: Best practices for internal control over public expenditures include (1) support by an original itemized invoice, where applicable, other supporting documentation, (2) documentation includes sign of being received, and (3) documentation indicates approval by the governing authority.

Condition: During the audit period, the Village of Pleasant Hill made payments to a contractor for the update of Village Hall for \$56,000; however, the invoices provided did not have any indication that there was approval by the governing authority (member of the Board of Aldermen). In addition, the payments made to the contractor were \$400 more than the invoices charged. Office furniture purchased by the Village of Pleasant Hill was supported by an invoice, but the documentation did not show approval by the governing authority. When sampling expenditures to review, sixty-one samples were selected. Of those samples, four did not have invoices or other documentation to support the expenditure, none had documentation of being received, twelve were not cancelled to aid in prevention of duplicate payments, and eight expenditures (check amounts) did not agree with supporting documentation.

Cause: None.

Effect: The Village of Pleasant Hill is susceptible to possible fraud or misappropriation of public funds without proper controls over expenditures. Also, the Village of Pleasant Hill is not following it's policy for disbursements.

Recommendation: The Village of Pleasant Hill should review it's policy with the members of the Board of Aldermen and the employees involved in the disbursements process to ensure that the policy is being followed and internal controls are maintained.

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Schedule of Findings and Questioned Costs  
For the year ended December 31, 2023

Management Response: In support of the additional \$400.00. This amount was offset by the purchase of the glass doors and the French drain. The French drain was not included in the original bid but because of the excessive water damage Councilwoman Henderson and I agreed to leave the doors as is and do the drain.

The Village of Pleasant Hill has followed the same disbursement policy that has always been followed.

**Finding 2023-002 Internal Control Over Credit Card Expenditures**

Criteria: Best practices for internal control over credit card expenditures are outlined in the Village of Pleasant Hill's credit card policy, including monthly statements reconciled to the purchases and invoices indicating the business purpose of each purchase.

Condition: During the audit period, the Village of Pleasant Hill could not produce the credit card statements and invoices for purchases for three different months. Credit card statements for the other nine months showed no evidence that the purchases were reviewed by the supervisor or governing authority. Five months of the credit card statements did not include all of the original/itemized receipts to be reconciled with the credit card statement, and five of the months of credit card receipts did not include an explanation of the business/public purpose. The Village of Pleasant Hill has two store credit cards that statements and receipts were unable to be produced for any month during the audit period.

Cause: None.

Effect: The Village of Pleasant Hill is susceptible to possible fraud or misappropriation of public funds without proper controls over expenditures. Also, the Village of Pleasant Hill is not following its policy for credit card disbursements.

Recommendation: The Village of Pleasant Hill should review its policy with the members of the Board of Aldermen and the employees involved in the credit card disbursements process to ensure that the policy is being followed and internal controls are maintained.

Management Response: The credit card statements were not able to be presented because there was no activity on the accounts and the company didn't send a statement. All purchases were approved by the Mayor but not approved by an Alderman. Credit card payments are always approved prior to purchase.

**Finding 2023-003 Compliance with Local Government Budget Act**

Criteria: Louisiana Revised Statute 39:1311 requires that a public entity whose actual expenditures are above budgeted expenditures by 5% amend the budget in the same manner the budget was first adopted.

Condition: The Village of Pleasant Hill's actual expenditures were more than budgeted expenditures by more than 5%.

Cause: None.

Effect: The Village of Pleasant Hill is not in compliance with the state law concerning budgeting.

Recommendation: The Village of Pleasant Hill should implement procedures to ensure that state law is followed with respect to budgetary procedures.

Management Response: The Mayor understands that some expenditures exceeded the budget; however, there were necessities that needed to be done to ensure the health and safety of our employees.

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Schedule of Findings and Questioned Costs  
For the year ended December 31, 2023

**Finding 2023-004 Submission of Audit Report**

Criteria: In accordance with state statute, the Village of Pleasant Hill's audit report must be submitted to the Louisiana Legislative Auditor within 180 days of the close of the entity's fiscal year.

Condition and Context: The Village of Pleasant Hill's audit report was not submitted to the Louisiana Legislative Auditor within 180 days of the fiscal year end.

Cause and Effect: The files requested from the auditors did not have the required invoices to complete the test work. This resulted in the test work for the audit for the year ended December 31, 2023 to be delayed.

Recommendation: We recommend that the Village of Pleasant Hill comply with the filing requirements and deadline established by state statute.

Management Response: The Village of Pleasant Hill understands and will comply with the filing requirements and deadline established by the state statute.

Prior Year

**No prior year findings.**



Village of Pleasant Hill  
Pleasant Hill, Louisiana

Schedule of Compensation Paid Aldermen  
For the Year ended December 31, 2023

	<b>2023</b>
Edward Arnold	1,875
Lisa Henderson	1,875
Samoa McClanahan	1,875
	<u>\$ 5,625</u>

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year ended December 31, 2023

Gloria Stewart Mayor	
Salary	\$ 7,500
	<u>\$ 7,500</u>

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity  
For the Year ended December 31, 2023

	First Six Month Period Ended 06/30/23	Second Six Month Period Ended 12/31/23
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 211	\$ 211
Add: Collections (Please enter zeros if no activity within a certain collection type)		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	11,256	8,936
Criminal Fines - Contempt	-	-
Criminal Fines - Other	35,027	30,515
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Subtotal Collections	46,283	39,451
Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
Village of Pleasant Hill, Criminal Court Costs/Fees	4,038	3,132
Village of Pleasant Hill, Criminal Fines - Other	-	-
CMIS	272	252
Crime Victims	8	8
Indigent Defender Fund	2,720	2,140
LCLE	270	63
LDH-THSCI Trust Fund	460	252
Louisiana Supreme Court	68	420
North Louisiana Crime Lab	3,420	2,761
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection (enter zero if no activity to report here)	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount (enter zero if no activity to report here)	-	-

Village of Pleasant Hill  
 Pleasant Hill, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity  
 For the Year ended December 31, 2023

Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (To be reported as a separate line per collection type under this heading, multiple rows may be needed)

35,027                      30,634

Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies  
 (Please enter zeros if no activity within a certain line item)

Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-

Subtotal Disbursements/Retainage	46,283	39,662
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Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 211	\$ -
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Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	-
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Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-



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**Independent Accountant's Report on Applying Agreed-Upon Procedures**

To the Board Members of Village of Pleasant Hill  
Pleasant Hill, Louisiana  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 01, 2023 through December 31, 2023. Village of Pleasant Hill's management is responsible for those C/C areas identified in the SAUPs.

Village of Pleasant Hill has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 01, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***1) Written Policies and Procedures***

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A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i. Budgeting, including preparing, adopting, monitoring, and amending the budget.
- ii. Purchasing, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
- iii. Disbursements, including processing, reviewing, and approving,
- iv. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. Credit Cards (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. Prevention of Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedure Results: We noted exceptions. See Items 1-4.

## **2) Board or Finance Committee**

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- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
  - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedure Results: We noted exceptions. See Item 5.

### **3) Bank Reconciliations**

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

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

Procedure Results: We noted exceptions. See Items 6 and 7.

### **4) Collections**

---

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i. Employees responsible for cash collections do not share cash drawers/registers;
- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3a (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Procedure Results: We noted exceptions. See Items 8-11.

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

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A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

B. For each location selected under procedure #5a above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
- ii. At least two employees are involved in processing and approving payments to vendors;
- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

C For each location selected under #5a above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5b above, as applicable.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3a, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedure Results: We noted exceptions. See Item 12.



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

---

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

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, (or electronically approved), by someone other than the authorized card holder.

ii. Observe that finance charges and late fees were not assessed on the selected statements.

C. Using the monthly statements or combined statements selected under procedure #7b above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedure Results: We noted exceptions. See Items 13.

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

---

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

i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));

ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policy and Procedures procedure #1a(vii); and

iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results: We noted no exceptions.

## **8) Contracts**

---

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period.

Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Results: We noted no exceptions.

## **9) Payroll and Personnel**

---

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

Procedure Results: We noted exceptions. See Item 14.

## **10) Ethics**

---

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9a obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedure Results: We noted exceptions. See Item 15.

### ***11) Debt Service***

---

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Procedure Results: We noted no exceptions.

### ***12) Fraud Notice***

---

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure Results: We noted no exceptions.

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

---

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

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

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

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

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

Procedure Results: We performed the procedure and discussed the test results with management. We noted exceptions. See Item 16.

#### ***14) Prevention of Sexual Harassment***

---

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9a, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Procedure Results: We noted exceptions. See Item 17.

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

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

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

*Kenneth D. Folden & Co., CPAs, LLC*

Kenneth D. Folden & Co., CPAs, LLC

Jonesboro, Louisiana  
July 30, 2024

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Management's Responses to Exceptions to the  
Statewide Agreed-Upon Procedures  
For the year ended December 31, 2023

Item 1: Exception: The Village of Pleasant Hill's policies and procedures do not include approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Response: The Village will create policies and procedures and document approval from council members.

Item 2: Exception: There are no policies and procedures on contracting, including types of services requiring written contracts, standards terms and conditions, legal review, approval process, and monitoring process.

Response: The Village will approve policies and procedures and document approval from council members.

Item 3: Exception: There are no policies and procedures on debt service, including debt issuance approval, continuing disclosure/EMMA reporting requirements, debt reserve requirements, and debt service requirements.

Response: The Village will approve policies and procedures and document approval from council members.

Item 4: Exception: There are no policies and procedures on IT Disaster Recovery/Business Continuity.

Response: The Village will approve policies and procedures and document approval from council members.

Item 5: Exception: The Village of Pleasant Hill's meeting minutes do not reference budget-to-actual comparisons.

Response: The Village will approve policies and procedures and document approval to ensure they're carried out by Mayor and Clerk.

Item 6: Exception: Bank reconciliations do not include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each reconciliation within 1 month of preparation.

Response: The Village will approve policies and provide the proper documentation from council members within a timely manner.

Item 7: Exceptions: There is no indication that outstanding items for more than 12 months have been researched.

Response: The Village personnel and Mayor will ensure that all outstanding items will be researched and completed on a monthly basis.

Item 8: Exception: The same employees that collect cash also prepare and make the bank deposits and post collection entries to the general ledger. The Mayor reviews the postings.

Response: The Village will change its policy where one employee will collect cash and one employee will make deposits with the Mayor reviewing all transactions.

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Management's Responses to Exceptions to the  
Statewide Agreed-Upon Procedures  
For the year ended December 31, 2023

- Item 9: Exception: Sequentially pre-numbered receipts were used; however, four out of eleven deposits reviewed did not have receipts available for review.
- Response: The Village will ensure that all receipts and deposits are accounted for and reviewed daily.
- Item 10: Exception: Two out of eleven deposits reviewed did not have any collection documentation or system reports available for review.
- Response: The Village and personnel will ensure that deposits/collection reports will be reviewed daily and initialed.
- Item 11: Exception: Five out of eleven deposits reviewed did not indicate that they were made within one business day of receipt.
- Response: The Village and personnel will ensure that all deposits will be made within one business day.
- Item 12: Exception: Four out of sixty-one disbursements reviewed did not have an original itemized invoice and none of the sixty-one disbursements reviewed included evidence that they were received by the entity.
- Response: The Village will ensure all disbursements will have invoices attached and approved by Mayor or council members.
- Item 13: Exception: None of the credit card statements reviewed included evidence that they were reviewed or approved by someone other than the authorized cardholder. Five statements reviewed did not have original itemized receipts for backup and five statements did not indicate business/public purpose of purchases. Two credit card statements had finance charges.
- Response: The Village will ensure that even though no purchases are made, we will still print online statements, itemized receipts with no finance charges and reviewed by Mayor and council members.
- Item 14: Exception: One employee's pay rate did not agree with the authorized salary/pay rate found within the personnel file.
- Response: The Village will ensure that all time cards, payroll sheets will match their salary/pay rate with approval by the Mayor and council members.
- Item 15: Exception: One Alderman did not complete the required ethics training during the fiscal period.
- Response: The Mayor/council member(s) will ensure all employees complete their required training(s) annually with approval by the Mayor/council members.
- Item 16: Exception: Three out of four employees and officials did not complete the required cybersecurity training during the fiscal period.
- Response: The Village will ensure all employees who have access to computers will complete the required cybersecurity training.

Village of Pleasant Hill  
Pleasant Hill, Louisiana

Management's Responses to Exceptions to the  
Statewide Agreed-Upon Procedures  
For the year ended December 31, 2023

Item 17: Exception: All employees and officials did not complete the required sexual harassment training during the fiscal period and the entity did not complete the annual sexual harassment report.

Response: The Mayor will ensure all employees complete their required trainings and a copy placed in their personnel folder with approval.



**GLORIA STEWART**  
MAYOR

## *Village of Pleasant Hill*

8336 PEARL STREET  
P.O. BOX 125  
PLEASANT HILL, LOUISIANA 71065  
TELEPHONE 318/796/3680  
FAX 318/796/3366

**ALDERMAN**  
LISA HENDERSON  
SAMOA MCCLANAHAN  
SCOTT GUILLORY

**CHIEF OF POLICE**  
TOMMY RAY WILLIAMS

July 30, 2024

Kenneth D. Folden & Co., CPAs, LLC  
302 Eighth Street  
Jonesboro, LA 71251

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 01, 2023 through December 31, 2023, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel related expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas (as applicable).

Yes  No

2. For the fiscal period January 01, 2023 through December 31, 2023, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes  No

3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes  No

4. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes  No

5. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes  No

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6. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2023, and July 30, 2024.  
Yes  No
7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.  
Yes  No
8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.  
Yes  No
9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.  
Yes  No
10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.  
Yes  No
11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.  
Yes  No
12. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.  
Yes  No
13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.  
Yes  No
14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.  
Yes  No
15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.  
Yes  No
16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.  
Yes  No
17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.  
Yes  No

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18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.  
Yes  No
19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.  
Yes  No
20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.  
Yes  No
21. We are not aware of any material misstatements in the C/C areas identified in the SAUPs.  
Yes  No
22. We have disclosed to you any other matters as we have deemed appropriate.  
Yes  No
23. We have responded fully to all inquiries made by you during the engagement.  
Yes  No
24. We have disclosed to you all known events that have occurred subsequent to December 31, 2023, that would have a material effect on the C/C areas identified in the SAUPs, or would require adjustment to or modification of the results of the agreed-upon procedures.  
Yes  No

**The previous responses have been made to the best of our belief and knowledge.**

Signature *Gloria Stewart* Date July 30, 2024

Title Mayor

Signature *John Scatty Dillany* Date July 30, 2024

Title Board Member

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