

Village of Pleasant Hill

Pleasant Hill, Louisiana

Annual Financial Statements
with Independent Auditor's Report

As of and For the Year Ended
December 31, 2020
with Supplemental Information Schedules

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Independent Auditor's Report

Village of Pleasant Hill
Pleasant Hill, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Village of Pleasant Hill, as of and for the year ended December 31, 2020, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

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.

Other 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 and the Schedule of Paid Aldermen 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 Paid Aldermen, and the Schedule of Justice System Funding Collecting/Disbursing Entity are the responsibility of management and were derived from and related 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 Paid Aldermen, and the Schedule of Justice System Funding Collecting/Disbursing Entity 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 September 30, 2021 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.

Kenneth D. Falden & Co., CPAs

Jonesboro, Louisiana
September 30, 2021

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Village of Pleasant Hill
Pleasant Hill, Louisiana

Statement of Net Position
As of December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and equivalents	\$ 247,026	\$ 16,793	\$ 263,819
Accounts receivable	23,370	24,275	47,645
Due from other funds	104,348	-	104,348
Cash and equivalents - restricted	-	24,485	24,485
Capital assets (net of accumulated depreciation)	682,693	1,873,598	2,556,291
Total Assets	<u>1,057,437</u>	<u>1,939,151</u>	<u>2,996,588</u>
Liabilities			
Accounts payable	5,340	8,564	13,904
Payroll liabilities	3,246	-	3,246
Due to other funds	-	104,348	104,348
Customer meter deposits	-	14,751	14,751
Capital lease payable - short-term	6,292	-	6,292
Capital lease payable - interest	128	-	128
Total Liabilities	<u>15,006</u>	<u>127,663</u>	<u>142,669</u>
Net Position			
Net investment in capital assets	682,693	1,873,598	2,556,291
Unrestricted	359,739	(62,110)	297,629
Total Net Position	<u>\$ 1,042,432</u>	<u>\$ 1,811,488</u>	<u>\$ 2,853,920</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, 2020

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	\$ 81,583	\$ -	\$ 3,100	\$ -	\$ -	\$ (78,483)
Police	57,185	-	-	(57,185)	-	(57,185)
Highways and streets	79,704	-	-	(79,704)	-	(79,704)
Total governmental activities	218,472	-	3,100	(215,372)	-	(215,372)
Business-type activities						
Water and sewer	289,980	158,886	-	55,923	(75,171)	(75,171)
Total primary government	\$ 508,452	\$ 158,886	\$ 3,100	\$ 55,923	(215,372)	(75,171)
<u>General Revenues</u>						
Taxes:						
Property taxes, levied for general purposes				17,835	-	17,835
Sales taxes				87,449	-	87,449
Franchise taxes				28,832	-	28,832
Licenses				16,575	-	16,575
Investment earnings				300	-	300
Other revenue				38,165	9,195	47,360
Gain (loss) on sale of fixed assets				(275)	-	(275)
Operating transfers				-	-	-
Total general revenues and transfers				188,881	9,195	198,076
Change in net position				(26,491)	(65,976)	(92,467)
Net position - December 31, 2019				1,068,922	1,877,465	2,946,387
Net position - December 31, 2020				\$ 1,042,431	\$ 1,811,489	\$ 2,853,920

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, 2020

	Governmental Funds
Assets	
Cash and equivalents	\$ 247,026
Accounts receivable	23,370
Due from other funds	104,348
Total Assets	\$ 374,744
Liabilities & Fund Balances	
Liabilities:	
Accounts payable	\$ 5,340
Payroll liabilities	3,246
Capital lease payable	6,420
Total Liabilities	15,006
Fund balances:	
Unassigned, reported in:	
General revenue fund	359,739
Total Fund Balances	359,739
Total Liabilities and Fund Balances	\$ 374,745

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

Village of Pleasant Hill
Pleasant Hill, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended December 31, 2020

	Governmental Funds
Revenues	
Taxes:	
Ad valorem tax	\$ 17,835
Franchise tax	28,832
Sales tax	87,449
Licenses and permits	16,575
Operating grant	3,100
Fines, forfeitures, and court costs	23,626
Miscellaneous	14,540
Total revenues	<u>191,957</u>
Expenditures	
Current:	
General government	79,966
Public safety	
Police	49,073
Streets	51,586
Capital outlay	3,100
Total expenditures	<u>183,725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,232</u>
Other financing sources (uses)	
Interest earnings	300
Capital lease principal payment	(6,292)
Capital lease interest payment	(128)
Total other financing sources (uses)	<u>(6,120)</u>
Net changes in fund balances	2,112
Fund balances - December 31, 2019	<u>357,627</u>
Fund balances - December 31, 2020	<u>\$ 359,739</u>

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, 2020

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	2,112
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differs from depreciation for the period.</p>		
Depreciation		(37,719)
Capital outlay		3,100
Gain (loss) on disposal of fixed assets		(275)
<p>Capital lease principal expense, which is considered an other financing use on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E), is a reduction of capital lease payable on the Government-Wide Statements. Capital loan proceeds, which is considered an other financing sources on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E), is an increase in capital assets on the Government-Wide Statements.</p>		
Capital lease principal expense		6,292
Capital lease proceeds		-
Change in net position of governmental activities (Statement B)	\$	<u>(26,490)</u>

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

Village of Pleasant Hill
Pleasant Hill, Louisiana

Statement of Net Position - Proprietary Fund
As of December 31, 2020

	Water & Sewer Fund
Assets	
Current Assets:	
Cash and equivalents	\$ 16,793
Accounts receivable	24,275
Total Current Assets	41,068
Noncurrent Assets:	
Cash and equivalents - restricted	24,485
Capital assets (net of accumulated depreciation)	1,873,598
Total Noncurrent Assets	1,898,083
Total Assets	1,939,151
Liabilities	
Current Liabilities:	
Accounts payable	8,564
Due to other funds	104,348
Total Current Liabilities	112,912
Current liabilities payable from restricted assets	
Customer meter deposits	14,751
Total Liabilities	127,663
Net Position	
Net investment in capital assets	1,873,598
Unrestricted	(62,110)
Total Net Position	\$ 1,811,488

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, 2020

	Water & Sewer Fund
Operating Revenues	
Water sales	\$ 99,956
Sewer fees	58,930
Miscellaneous income	9,195
Total operating revenues	168,081
Operating Expenses	
Personnel services	76,085
Supplies	31,096
Utilities	25,538
Repairs and maintenance	58,641
Contractual services	15,994
Miscellaneous	3,788
Depreciation	78,838
Total operating expenses	289,980
Operating Income (Loss)	(121,899)
Non-operating Revenues (Expenses)	
Capital grant	55,923
Total non-operating revenues (expenses)	55,923
Change in net position	(65,976)
Total Net Position - December 31, 2019	1,877,465
Total Net Position - December 31, 2020	\$ 1,811,489

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, 2020

	Water & Sewer Fund
Cash flows from operating activities	
Cash received from customers	\$ 158,886
Cash payments to suppliers for goods and services	(94,529)
Cash payments to employees	(76,085)
Net cash provided by (used for) operating activities	<u>(11,728)</u>
Cash flows from non-capital financing	
Cash flows from capital and related financing activities	
Acquisition of capital assets	(101,198)
Capital grant	55,923
Other revenue	-
Net cash provided by (used for) capital and related financing activities	<u>(45,275)</u>
Cash flows from investing activities	
Net increase (decrease) in cash and cash equivalents	(57,003)
Cash and cash equivalents - December 31, 2019	<u>98,281</u>
Cash and cash equivalents - December 31, 2020	<u>\$ 41,278</u>
Reconciliation of operating income to net provided by operating activities	
Operating income	\$ (121,899)
Adjustments	
Depreciation	78,838
Net changes in assets and liabilities	
Accounts receivable	33,787
Customers' security deposits	649
Accounts payable	(52,689)
Due to other funds	49,586
Net cash provided for (used for) operating activities	<u>\$ (11,728)</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, 2020

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.

Village of Pleasant Hill
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Notes to the Financial Statements
As of and for the year ended December 31, 2020

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.

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, 2020

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.

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Notes to the Financial Statements
As of and for the year ended December 31, 2020

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.

Village of Pleasant Hill
Pleasant Hill, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2020

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.

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, 2020.

Village of Pleasant Hill
Pleasant Hill, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2020

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 did not have any restricted funds for the year ended December 31, 2020.

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, 2020.

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, 2020.

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

The Mayor prepares a proposed budget and submits it to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Board of Aldermen may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The Village utilizes formal budgetary integration as a management control device for all funds.

The 2020 general fund budget was published in the official journal and made available for public inspection. A public hearing for the proposed budget was held on December 3, 2019, and the budget was adopted by the Mayor and Board of Aldermen. An amendment was adopted on December 1, 2020.

Village of Pleasant Hill
Pleasant Hill, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2020

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, 2020

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, 2020

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 2020 ad valorem taxes, two rates of tax were levied on property within the corporate limits with an assessment value of \$2,093,257, as follows:

4.80 mills for the general maintenance of the Village

5.06 mills for the street maintenance of the Village

This millage was approved by the Board of Aldermen on May 5, 2020. This millage is the maximum millage that can be assessed without the approval of the voters of the Village. Total taxes levied were \$17,835 at December 31, 2020.

Village of Pleasant Hill
Pleasant Hill, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2020

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, 2020, the Village had cash and cash equivalents (book balances) totaling \$288,304, including \$170 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, 2020, the Village had funds (book balances) totaling \$64,377 on deposit at LAMP, including restricted funds of \$13,560, 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, 2020, the Village had \$290,318 in deposits (collected bank balances). These deposits are secured from risk by \$290,318 in federal deposit insurance, and \$194,000 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, 2020. 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 \$290,318 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, 2020, 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, 2020

5. Receivables

The receivables of \$47,645 at December 31, 2020, are as follows:

	Fund		
	General	Enterprise	Total
Sales taxes	\$ 10,556	\$ -	\$ 10,556
Ad valorem taxes	4,176	-	4,176
Franchise taxes	8,638	-	8,638
Services	-	24,275	24,275
Total	<u>\$ 23,370</u>	<u>\$ 24,275</u>	<u>\$ 47,645</u>

6. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2020, is as follows:

A. Capital Assets - Governmental Funds

	Balance, January 01, 2020	Additions	Deletions	Balance, December 31, 2020
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	1,033,256	3,100	1,839	1,034,517
Equipment, furniture, and fixtures	129,157	-	-	129,157
Total capital assets being depreciated	<u>\$ 1,162,413</u>	<u>\$ 3,100</u>	<u>\$ 1,839</u>	<u>\$ 1,163,674</u>
Less accumulated depreciation				
Buildings and other improvements	\$ 356,250	\$ 25,293	\$ -	\$ 381,543
Equipment, furniture, and fixtures	91,676	12,426	1,564	102,538
Total accumulated depreciation	<u>447,926</u>	<u>37,719</u>	<u>1,564</u>	<u>484,081</u>
Capital assets, net	<u>\$ 714,487</u>	<u>\$ (34,619)</u>	<u>\$ 275</u>	<u>\$ 679,593</u>
Governmental capital assets - net	<u>\$ 717,587</u>	<u>\$ (34,619)</u>	<u>\$ 275</u>	<u>\$ 682,693</u>

Village of Pleasant Hill
Pleasant Hill, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2020

Functional Allocation of Depreciation Expense

General government	\$	1,617
Police		7,984
Highways and streets		28,118
Total	\$	<u>37,719</u>

B. Capital Assets - Proprietary Funds

	Balance, January 01, 2020	Additions	Deletions	Balance, December 31, 2020
Capital assets not depreciated				
Construction in progress	\$ 859,719	\$ 67,383	\$ -	\$ 927,102
Total capital assets not being depreciated	<u>859,719</u>	<u>67,383</u>	<u>-</u>	<u>927,102</u>
Capital assets being depreciated				
Distribution System	\$ 3,069,599	\$ 24,590	\$ -	\$ 3,094,189
Equipment	54,239	9,225	-	63,464
Total capital assets being depreciated	<u>\$ 3,123,838</u>	<u>\$ 33,815</u>	<u>\$ -</u>	<u>\$ 3,157,653</u>
Less accumulated depreciation				
Distribution System	\$ 2,086,274	\$ 77,535	\$ -	\$ 2,163,809
Equipment	46,045	1,303	-	47,348
Total accumulated depreciation	<u>\$ 2,132,319</u>	<u>\$ 78,838</u>	<u>\$ -</u>	<u>\$ 2,211,157</u>
Capital assets, net	<u>\$ 991,519</u>	<u>\$ (45,023)</u>	<u>\$ -</u>	<u>\$ 946,496</u>
Business-type capital assets - net	<u>\$ 1,851,238</u>	<u>\$ 22,360</u>	<u>\$ -</u>	<u>\$ 1,873,598</u>

7. Payables

The payables of \$17,150 at December 31, 2020, are as follows:

	Fund		
	General	Enterprise	Total
Accounts	\$ 5,340	\$ 8,564	\$ 13,904
Payroll liabilities	3,246	-	3,246
Total	<u>\$ 8,586</u>	<u>\$ 8,564</u>	<u>\$ 17,150</u>

Village of Pleasant Hill
Pleasant Hill, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2020

8. Long-Term Obligations

The Village entered into a new capital lease-purchase agreement with Ford Motor Credit Company LLC to acquire a 2017 Chevrolet Tahoe at an interest rate of 4.45%. The lease-purchase agreement was signed on November 11, 2016 with the first payment due on November 11, 2016. The vehicle was placed in service at that time, and it is included as capital assets valued at \$34,063. The vehicle is being depreciated over the economic useful life of 5 years.

The following is a summary of the long-term obligation transactions for the year ended December 31, 2020:

Long-term obligation	Balance, January 01, 2020	Additions	Deletions	Balance, December 31, 2020
Capital lease obligation - 2017 Chevrolet Tahoe	\$ 13,540	\$ -	\$ 7,248	\$ 6,292
Total	\$ 13,540	\$ -	\$ 7,248	\$ 6,292

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2020:

Long-term obligation	Current portion	Long-term portion	Total
Capital lease obligation - 2017 Chevrolet Tahoe	\$ 6,292	\$ -	\$ 6,292
Total	\$ 6,292	\$ -	\$ 6,292

The following is a summary of the present value of the net minimum lease payments:

Year ending December 31:	2017 Chevrolet Tahoe
2021	6,420
Total minimum lease payments	6,420
Less amounts representing interest	128
Present value of net minimum lease payments	\$ 6,292

Village of Pleasant Hill
Pleasant Hill, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2020

9. 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.

10. Grants and Contributions

During the year ended December 31, 2020, the Village of Pleasant Hill received grant funds of \$10,942 from the Louisiana Community Development Block Grant and \$44,981 from the Facility Planning and Control for the purpose of upgrades to the water system and tank from the Louisiana Community Development Block Grant. The upgrades to the water tank were not completed as of the end of the audit year. This asset is currently in progress with an expected completion date in 2021. The Village of Pleasant Hill also received contributions of \$3,100 to be used for general operating expenses.

11. 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.

12. Litigation and Claims

At December 31, 2020, the Village was not involved in any lawsuits nor is aware of any outstanding claims, which are not covered by insurance.

13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2021, 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, 2020

	Budget - Original/Final	Actual	Variance - Favorable (Unfavorable)
Revenues			
Taxes:			
Ad valorem tax	\$ 19,000	\$ 17,835	\$ (1,165)
Franchise tax	30,000	28,832	(1,168)
Sales tax	65,000	87,449	22,449
Licenses and permits	25,000	16,575	(8,425)
Operating grant	6,100	3,100	(3,000)
Fines, forfeitures, and court costs	20,000	23,626	3,626
Miscellaneous	11,000	14,540	3,540
Total revenues	<u>176,100</u>	<u>191,957</u>	<u>15,857</u>
Expenditures			
Current:			
General government	79,050	79,966	(916)
Public safety			
Police	52,500	49,073	3,427
Streets	53,600	51,586	2,014
Capital outlay	-	3,100	(3,100)
Total expenditures	<u>185,150</u>	<u>183,725</u>	<u>1,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,050)</u>	<u>8,232</u>	<u>17,282</u>
Other financing sources (uses)			
Interest earnings	500	300	(200)
Capital lease principal payment	(7,700)	(6,292)	1,408
Capital lease interest payment	-	(128)	(128)
Total other financing sources (uses)	<u>(7,200)</u>	<u>(6,120)</u>	<u>1,080</u>
Net changes in fund balances	<u>(16,250)</u>	<u>2,112</u>	<u>18,362</u>
Fund balances - December 31, 2019	<u>357,627</u>	<u>357,627</u>	<u>-</u>
Fund balances - December 31, 2020	<u>\$ 341,377</u>	<u>\$ 359,739</u>	<u>\$ 18,362</u>

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



KENNETH D. FOLDEN & CO.

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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 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, 2020, 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 September 30, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

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 no instances of noncompliance or other matters that is required to be reported under Government Auditing Standards.

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. Falden & Co., CPAs

Jonesboro, Louisiana
September 30, 2021

SUPPLEMENTAL INFORMATION

Village of Pleasant Hill
Pleasant Hill, Louisiana

Schedule of Findings and Questioned Costs
For the year ended December 31, 2020

We have audited the basic financial statements of the Village of Pleasant Hill as of and for the year ended December 31, 2020 and have issued our report thereon dated September 30, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2020 resulted in an unqualified opinion.

A. Summary of Auditor's Report

Report on Internal Control and Compliance Material to Financial Statements

Internal Control

Material Weakness Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

B. Findings - Financial Statements Audit

Current Year

No current year findings.

Prior Year

No prior year findings.

Village of Pleasant Hill
Pleasant Hill, LouisianaSchedule of Compensation Paid Aldermen
For the year ended December 31, 2020

	2020
Hugh H. Brown, III	798
Ray Bufkin	1,800
Carol C. Pattison	1,800
Terry L. Ponder, Jr.	1,050
	<u>\$ 5,448</u>

Village of Pleasant Hill
Pleasant Hill, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head
For the year ended December 31, 2020

Edward G. Arnold Mayor		
Salary	\$	7,200
Reimbursements		<u>25</u>
	\$	<u><u>7,225</u></u>



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**Independent Accountant's Report on Applying Agreed-Upon Procedures
LCDBG Public Facilities Program, Water Improvements (Contract 2000135394)**

Village of Pleasant Hill
East Pleasant Hill, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Village of Pleasant Hill, Louisiana, on the Schedule of Net Position and the Schedule of Revenues, Expenses, and Changes in Net Position for the LCDBG project as of and for the year ended December 31, 2020. The Village of Pleasant Hill is responsible for the presentation of the Schedule of Net Position and the Schedule of Revenues, Expenses, and Changes in Net Position for the LCDBG Public Facilities Program, Water Improvements (Contract 2000135394) as of and for the year ended December 31, 2020, in accordance with accounting standards generally accepted in the United States of America. The sufficiency of these procedures is solely the responsibility of the Village of Pleasant Hill. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. Trace balances per the Schedule of Net Position and the Schedule of Revenues, Expenses, and Changes in Net Position for the LCDBG Public Facilities Program, Water Improvements (Contract 2000135394) as of and for the year ended December 31, 2020, to the underlying records used in the audit of the financial statements of the Village of Pleasant Hill, Louisiana as of and for the year ended December 31, 2020.

No exceptions were noted.

2. Verify the mathematical accuracy of the Schedule of Net Position and the Schedule of Revenues, Expenses, and Changes in Net Position for the LCDBG Public Facilities Program, Water Improvements (Contract 2000135394) as of and for the year ended December 31, 2020.

No exceptions were noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the applicable standards contained in Government Auditing Standards, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in the report.

We were not engaged to, and did not, perform an examination or review, the objective of which would be the expression of an opinion on the Schedule of Net Position and the Schedule of Revenues, Expenses, and Changes in Net Position for the LCDBG Public Facilities Program, Water Improvements (Contract 2000135394) as of and for the year ended December 31, 2020. 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.

This report is intended solely for the information and use of management of the Village of Pleasant Hill and is not intended to be and should not be used for any other purpose.

Kenneth D. Falden & Co., CPAs

Jonesboro, Louisiana
September 30, 2021

Village of Pleasant Hill
Pleasant Hill, LouisianaSchedule of Net Position
LCDBG Public Facilities Program, Water Improvements (Contract 2000135394)
As of December 31, 2020**Assets**

Cash and equivalents	\$	-
Accounts receivable		-
Total Assets		-

Liabilities

Due to Utility Fund - Water		-
Total Liabilities		-

Net Position

	\$	-
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Village of Pleasant Hill
Pleasant Hill, Louisiana

Statement of Revenues, Expenses, and Changes in Net Position
LCDBG Public Facilities Program, Water Improvements (Contract 2000135394)
For the Year Ended December 31, 2020

Revenues

LCDBG Program Income	\$	10,942
Other revenue		-
Total revenues		<u>10,942</u>

Expenses

Administration		-
Acquisition		-
Engineering		-
Construction		10,942
Laboratory Services		-
Construction Inspection		-
Construction Contingencies		-
Total expenses		<u>10,942</u>

Excess (deficiency) of revenues over (under) expenses -

Other financing sources (uses)

Operating transfers in (out)		-
Total other financing sources (uses)		<u>-</u>

Excess revenues and other sources over (under) expenses and other uses -

Net Position - December 31, 2019 -

Net Position - December 31, 2020 \$ -

Village of Pleasant Hill
Pleasant Hill, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
For the year ended December 31, 2020

	First Six Month Period Ended 06/30/20	Second Six Month Period Ended 12/31/20
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 86	\$ (25)
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	3,807	2,785
Criminal Fines - Contempt	-	-
Criminal Fines - Other	7,010	5,580
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	10,817	8,365
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	3,477	2,539
Village of Pleasant Hill, Criminal Fines - Other	7,010	5,580
CMIS	124	58
LCLE	141	58
LDH-THSCI Trust Fund	140	90
Louisiana Supreme Court	36	15
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)	-	-
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)	-	-

Village of Pleasant Hill
 Pleasant Hill, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
 For the year ended December 31, 2020

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	10,928	8,340
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Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ (25)	\$ -
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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)	-	-
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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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