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FINANCIAL REPORT  
OF THE  
VILLAGE OF PINE PRAIRIE, LOUISIANA  
FOR THE YEAR ENDED DECEMBER 31, 1999

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

Release Date 08-02-00

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Aldermen  
Village of Pine Prairie, Louisiana

I have audited the accompanying general purpose financial statements of the Village of Pine Prairie, Louisiana, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Pine Prairie, Louisiana's, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Village of Pine Prairie, Louisiana, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated June 26, 2000, on my consideration of the Village of Pine Prairie, Louisiana's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Pine Prairie, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Michael W. Johnson*

Michael W. Johnson  
Certified Public Accountant

Eunice Louisiana  
June 26, 2000

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**(Combined Statements - Overview)**

VILLAGE OF PINE PRAIRIE  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 1999

	<u>Governmental</u>		<u>Proprietary</u>	<u>Account Groups</u>	
	<u>Fund Types</u>		<u>Fund Type</u>	<u>General</u>	<u>General</u>
	<u>General</u>	<u>Special</u>	<u>Enterprise</u>	<u>Fixed</u>	<u>Long-Term</u>
		<u>Revenue</u>	<u>Fund</u>	<u>Assets</u>	<u>Debt</u>
<u>ASSETS</u>					
Cash on Deposit-					
Operating Accounts	\$30,086	\$ 27,483	\$120,704	\$	\$
Savings	24,270	72,319	300,000		
Property Taxes Receivable	6,539	20,513			
Sales Taxes Receivable		8,348			
A/R, Sewer Fees			7,087		
A/R, Other	1,120		130		
Due from Other Funds	9,701	44,419			
Restricted Assets, Savings			43,183		
Fixed Assets, Net of Allowance for Depreciation (1999, \$229,098)			440,698	1,462,192	
TOTAL ASSETS	<u>\$71,716</u>	<u>\$173,082</u>	<u>\$911,802</u>	<u>\$1,462,192</u>	<u>\$ -0-</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>Liabilities:</u>					
Accounts Payable	\$	\$	\$ 3,282	\$	\$
Withholding & Taxes Payable	2,312	1,376	615		
Accrued Interest Payable			11,572		
Security Deposits Payable			8,155		
Notes Payable - FmHA			293,316		
Note Payable - Citizens Bank					17,088
Due to Other Funds	33,838	6,403	13,880		
Total Liabilities	<u>\$36,150</u>	<u>\$ 7,779</u>	<u>\$330,820</u>	<u>\$ -0-</u>	<u>\$17,088</u>
<u>Fund Equity:</u>					
Investment in General					
Fixed Assets	\$	\$	\$	\$1,462,192	\$
Contribution from LCDBG (net of amortization for capital grants)			574,133		
Fund Balance/Retained Earnings:					
Reserved for Debt Retirement			39,004		
Unreserved (Deficit)	35,566	165,303	(32,155)		
Total Fund Balance/Retained Earnings (Deficit)	<u>\$35,566</u>	<u>\$165,303</u>	<u>\$ 6,849</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Fund Equity	<u>\$35,566</u>	<u>\$165,303</u>	<u>\$580,982</u>	<u>\$1,462,192</u>	<u>\$ -0-</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$71,716</u>	 <u>\$173,082</u>	 <u>\$911,802</u>	 <u>\$1,462,192</u>	 <u>\$17,088</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PINE PRAIRIE  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Governmental Fund Types</u>		Total
	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>(Memorandum</u> <u>Only)</u>
<u>Revenues:</u>			
Taxes: Property	\$ 20,040	\$ 22,954	\$ 42,994
Franchise	30,198		30,198
Sales		128,217	128,217
Licenses	17,510		17,510
Fines and Forfeits	147,081		147,081
Miscellaneous	2,269		2,269
Grants	<u>26,500</u>		<u>26,500</u>
Total Revenues	<u>\$243,598</u>	<u>\$151,171</u>	<u>\$394,769</u>
<u>Expenditures:</u>			
<u>Current:</u>			
General Government	\$ 49,325	\$ 73,652	\$122,977
Public Safety	112,243		112,243
Street Department	9,663	5,161	14,824
Capital Outlay	65,139	75,206	140,345
Debt Service	<u>3,940</u>		<u>3,940</u>
Total Expenditures	<u>\$240,310</u>	<u>\$154,019</u>	<u>\$394,329</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Interest Income	\$ 826	\$ 3,550	\$ 4,376
Loan Proceeds	19,931		19,931
Operating Transfers In	8,307	34,024	42,331
Operating Transfers Out	<u>(17,369)</u>	<u>(27,280)</u>	<u>(44,649)</u>
Total Other Financing Sources/ (Uses)	<u>\$ 11,695</u>	<u>\$ 10,294</u>	<u>\$ 21,989</u>
<u>EXCESS (Deficiency) OF</u> <u>REVENUES AND OTHER FINANCING</u> <u>SOURCES OVER EXPENDITURES, AND</u> <u>OTHER FINANCING USES</u>			
	\$ 14,983	\$ 7,446	\$ 22,429
<u>FUND BALANCE, BEGINNING</u> <u>OF YEAR</u>			
	<u>20,583</u>	<u>157,857</u>	<u>178,440</u>
<u>FUND BALANCE, END OF YEAR</u>			
	<u>\$ 35,566</u>	<u>\$165,303</u>	<u>\$200,869</u>

The accompanying notes are an integral part of this statement.



VILLAGE OF PINE PRAIRIE  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE (BUDGET AND ACTUAL) -  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>GENERAL FUND</u>		<u>SPECIAL REVENUE FUND</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<u>Revenues:</u>				
Taxes: Property	\$ 18,863	\$ 20,040	\$ 21,612	\$ 22,954
Franchise	30,000	30,198		
Sales			80,000	128,217
Licenses	18,450	17,510		
Fines and Forfeits	98,500	147,081		
Miscellaneous		2,269	500	
Grants		26,500		
Total Revenues	<u>\$165,813</u>	<u>\$243,598</u>	<u>\$102,112</u>	<u>\$151,171</u>
<u>Expenditures:</u>				
<u>Current:</u>				
General Government	\$ 50,900	\$ 49,325	\$ 76,800	\$ 73,652
Public Safety	100,025	112,243		
Street Department	10,200	9,663	62,250	5,161
Capital Outlay	16,500	65,139	10,000	75,206
Debt Service		3,940		
Total Expenditures	<u>\$177,625</u>	<u>\$240,310</u>	<u>\$149,050</u>	<u>\$154,019</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interest Income	\$	\$ 826	\$	\$ 3,550
Loan Proceeds		19,931		
Operating Transfers In	29,450	8,307	60,500	34,024
Operating Transfers Out	<u>(12,900)</u>	<u>(17,369)</u>	<u>          </u>	<u>(27,280)</u>
Total Other Financing Sources/ (Uses)	<u>\$ 16,550</u>	<u>\$ 11,695</u>	<u>\$ 60,500</u>	<u>\$ 10,294</u>
<u>EXCESS (Deficiency) OF</u>				
<u>REVENUES AND OTHER FINANCING</u>				
<u>SOURCES OVER EXPENDITURES AND</u>				
<u>OTHER FINANCING USES</u>				
	<u>\$ 4,738</u>	<u>\$ 14,983</u>	<u>\$ 13,562</u>	<u>\$ 7,446</u>
<u>FUND BALANCE, BEGINNING</u>				
<u>OF YEAR</u>				
		<u>20,583</u>		<u>157,857</u>
<u>FUND BALANCE, END OF YEAR</u>				
		<u>\$ 35,566</u>		<u>\$165,303</u>

The accompanying notes are an integral part of this statement.



VILLAGE OF PINE PRAIRIE  
PROPRIETARY FUND TYPE  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 1999

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
<u>Current Assets:</u>		
Cash, Operating Accounts	\$120,704	\$119,117
Cash, CD's	300,000	300,000
Accounts Receivable, Net of Allowance for Uncollectible (1999, \$-0-; 1998, \$-0- )	7,087	5,256
Accounts Receivable, NSF	<u>130</u>	<u>190</u>
Total Current Assets	<u>\$427,921</u>	<u>\$424,563</u>
<u>Restricted Assets:</u>		
Cash on Deposit for:		
Note Sinking Fund	\$ 21,528	\$ 21,063
Note Reserve Fund	9,925	8,707
Note Contingency Fund	<u>11,730</u>	<u>10,285</u>
Total Restricted Assets	<u>\$ 43,183</u>	<u>\$ 40,055</u>
<u>Long-Term Assets:</u>		
Fixed Assets, Net of Accumulated Depreciation (1999, \$229,098; 1998, \$212,308)	\$440,698	\$436,857
Total Long-Term Assets	<u>\$440,698</u>	<u>\$436,857</u>
TOTAL ASSETS	<u>\$911,802</u>	<u>\$901,475</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>Current Liabilities:</u>		
(Payable from Current Assets)		
Accounts Payable	\$ 3,282	\$ 527
Withholding and Taxes Payable	615	201
Accrued Interest Payable	11,572	12,236
Security Deposits Payable	<u>8,155</u>	<u>7,495</u>
Total	<u>\$ 23,624</u>	<u>\$ 20,459</u>
(Payable from Restricted Assets)		
Current Notes Payable	<u>4,179</u>	<u>3,969</u>
Total	<u>\$ 4,179</u>	<u>\$ 3,969</u>
Total Current Liabilities	<u>\$ 27,803</u>	<u>\$ 24,428</u>
<u>Long-Term Liabilities:</u>		
Note Payable - FHA	\$289,137	\$292,788
Total Long-Term Liabilities	<u>\$289,137</u>	<u>\$292,788</u>

(Continued)

VILLAGE OF PINE PRAIRIE  
PROPRIETARY FUND TYPE  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 1999  
(Continued)

	<u>1999</u>	<u>1998</u>
<u>Due to Other Funds:</u>		
Due to Sales Tax Fund	\$ 6,257	\$ 6,257
Due to General Fund	<u>7,623</u>	<u>7,623</u>
Total	<u>\$ 13,880</u>	<u>\$ 13,880</u>
 Total Liabilities	 <u>\$330,820</u>	 <u>\$331,096</u>
 <u>Fund Equity:</u>		
Contributions from LCDBG (net of amortization for capital grants)	\$574,133	\$592,855
Retained Earnings (Deficit)		
Reserved for Debt Retirement	39,004	36,086
Unreserved	<u>(32,155)</u>	<u>(58,562)</u>
Total Retained Earnings (Deficit)	<u>\$ 6,849</u>	<u>\$(22,476)</u>
 Total Fund Equity	 <u>\$580,982</u>	 <u>\$570,379</u>
 • Total Liabilities and Fund Balance	  <u>\$911,802</u>	  <u>\$901,475</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PINE PRAIRIE  
PROPRIETARY FUND TYPE  
ENTERPRISE FUND  
COMPARATIVE STATEMENT OF REVENUES,  
EXPENSES, AND CHANGES IN RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>1999</u>	<u>1998</u>
<u>Revenues:</u>		
Sewer Fees	\$ 60,723	\$ 54,730
Miscellaneous Revenue	940	114
Total Revenues	<u>\$ 61,663</u>	<u>\$ 54,844</u>
 <u>Operating Expenses:</u>		
Professional Fees	\$ 1,000	\$ 475
Dues & Fees	150	695
Depreciation Expense	16,790	16,449
Insurance	483	701
Office Expense	2,413	2,092
Repairs and Maintenance	1,339	4,413
Salaries	18,667	18,985
Taxes	1,467	1,444
Miscellaneous	10,447	9,675
Utilities	6,518	5,741
Total Operating Expenses	<u>\$ 59,274</u>	<u>\$ 60,670</u>
 Operating Income (Loss)	 \$ 2,389	 \$( 5,826)
 <u>Non-Operating Revenues/(Expenses):</u>		
Interest Revenue	\$ 20,598	\$ 9,497
Interest Expense	(14,702)	(14,871)
Operating Transfers In	4,525	5,015
Operating Transfers Out	<u>( 2,207)</u>	<u>          </u>
Total Non-Operating Revenues/ (Expenses)	<u>\$ 8,214</u>	<u>\$( 359)</u>
 Net Income (Loss)	 \$ 10,603	 \$( 6,185)
 Add: Depreciation on fixed assets acquired by grants externally restricted for capital acquisitions and construction that reduces contributed capital	          <u>18,722</u>	          <u>18,722</u>
 Increase/ (Decrease) in Retained Earnings	 \$ 29,325	 \$ 12,537
 <u>RETAINED EARNINGS, BEGINNING OF YEAR</u>	 <u>(22,476)</u>	 <u>(35,013)</u>
 <u>RETAINED EARNINGS, END OF YEAR</u>	 <u>\$ 6,849</u>	 <u>\$(22,476)</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PINE PRAIRIE  
COMPARATIVE STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>1999</u>	<u>1998</u>
<u>Cash flows from operating activities:</u>		
Net income (loss) from operating activities	\$ 2,389	\$( 5,826)
Adjustments to reconcile net income/(loss) to net cash provided (used) by operating activities:		
Depreciation/Amortization	\$ 16,790	\$ 16,449
(Increase)/Decrease in receivables	( 1,771)	1,905
Increase/(Decrease) in accounts payable	2,755	( 542)
Increase/(Decrease) in other accrued expenses	410	1,863
Operating Transfers In	4,525	5,015
Operating Transfers Out	<u>( 2,207)</u>	<u>          </u>
Total adjustments	<u>\$ 20,502</u>	<u>\$ 24,690</u>
Net cash provided by operating activities	<u>\$ 22,891</u>	<u>\$ 18,864</u>
<u>Cash flows from capital and related financing activities:</u>		
Bonding Company Settlement (See Note 0)	\$ -0-	\$409,500
Note principal payments	( 3,441)	( 3,818)
Payments for plant and equipment	<u>(20,631)</u>	<u>-0-</u>
Net cash provided by (used for) capital and related financing activities	<u>\$ (24,072)</u>	<u>\$405,682</u>
<u>Cash flows from investing activities:</u>		
Interest received	\$ 20,598	\$ 9,497
Interest paid	<u>(14,702)</u>	<u>(14,871)</u>
Net cash used for investing activities	<u>\$ 5,896</u>	<u>\$ ( 5,374)</u>
Net increase (decrease) in cash and cash equivalents	\$ 4,715	\$419,172
Cash and cash equivalents at beginning of year	<u>459,172</u>	<u>40,000</u>
Cash and cash equivalents at end of year	<u>\$463,887</u>	<u>\$459,172</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PINE PRAIRIE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999

**Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Pine Prairie was incorporated in 1959 under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government.

The financial statements of the Village of Pine Prairie, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

Reporting Entity - In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic -- but not the only -- criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Village of Pine Prairie had no other significant managerial responsibility over any other governmental unit that is not included in the financial statements.

Fund Accounting - The accounts of the Village of Pine Prairie are organized on the basis of funds, which are considered a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two governmental fund types, one proprietary fund type, and an account group as listed below:



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

Governmental Funds - General Fund - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for special purposes.

Proprietary Funds - Utility Fund - Utility Funds are used to account for the proceeds of sewer collection fees from the sewer system completed in 1990. These fees are used to operate and maintain the sewer system and pay the note from FHA.

Account Groups - Fixed Assets and Long-Term Liabilities - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (General Fixed Assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Village has elected to capitalize public domain ("Infrastructure") fixed assets consisting of certain improvements. No depreciation has been provided on general fixed assets. All fixed assets are recorded at historical cost.

Long-term liabilities expected to be financed from Governmental Funds are accounted for in the General Long-Term Debt Account Group.

The account groups are not "funds." They are concerned only with measurement of financial position. They are not involved with measurement of results of operations.

Depreciation of all exhaustible fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund Balance Sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Sewerage Utility:	
Disposal Plant	40 Years
Equipment	10 Years

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

Basis of Accounting - Basis of Accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the Financial Statements. Basis of Accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds and Agency Funds are accounted for using the Modified-Accrual Basis of Accounting. Their revenues are recognized when they become measurable and available as net current assets. Property taxes are recorded as revenue when levied even though a portion of the taxes may be collected in subsequent years. Miscellaneous revenues are recorded when received. Franchise Taxes, Sales Taxes, Inter-Governmental Revenue, and Interest Income are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. Gross Sales Taxes are considered "measurable" when collected and are recognized as revenue at that time.

Expenditures are generally recognized under the Modified-Accrual Basis of Accounting when the related fund liability is incurred.

All Proprietary Funds are accounted for using the Accrual Basis of Accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgets and Budgetary Accounting - The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Village clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
3. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.
6. The actual expenditures of the Village's General Fund exceeded budgeted amounts by more than 5%. Management did not amend the budget accordingly, a violation of budget law. Management overlooked this requirement.



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

Investments - Investments are in bank savings accounts and in certificates of deposit.

Comparative Data - Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Comparative data for the prior year is presented for the year ended December 31, 1998. All data for the current year is presented for the year ended December 31, 1999.

Total Columns on Financial Statements - Overview - Total columns on the financial statements - overview are captioned memorandum only to indicate that they are presented only to facilitate analysis.

Data in these columns do not present financial position and results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Deficits in Fund Balance/Retained Earnings - The Utility Fund had a deficit in retained earnings of \$(32,155) at December 31, 1999. The Village plans to remove this deficit through operating revenue.

**NOTE B - AD VALOREM TAXES**

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

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

For the twelve months ended December 31, 1999, the 1999 tax roll taxes of 21.99 mills were levied on property with assessed valuations totaling \$1,955,170 and were dedicated as follows:

General Corporate Purposes	5.30 Mills
Street Maintenance	6.85 Mills
Street Construction	4.89 Mills
Police Protection	1.95 Mills
Recreation	<u>3.00</u> Mills
Total	<u>21.99</u> Mills

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

Total taxes levied were \$42,994.19.

**NOTE C - DEDICATION OF PROCEEDS - 2% SALES AND USE TAX**

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

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

The two percent (2%) sales tax is in effect for a period of ten years, beginning January 1, 1998 and ending December 31, 2007.

**NOTE D - INTERFUND RECEIVABLES, PAYABLES**

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>General Fund</u>		
Due to Street Maintenance	\$	\$ 2,040
Due to Sales Tax		30,275
Due to Street Construction		1,523
Due from Sales Tax	2,078	
Due from Sewer Funds	7,623	
<u>Special Revenue Funds</u>		
<u>Street Maintenance Tax Fund</u>		
Due from General Fund	2,040	
Due to Sales Tax Fund		499
Due to Street Construction Fund		2,000
<u>Street Construction Fund</u>		
Due from General Fund	1,523	
Due from Street Maintenance Fund	2,000	
Due to Sales Tax		1,825
<u>Sales Tax Fund</u>		
Due from General Fund	30,275	
Due from Street Maintenance Fund	499	
Due from Sewer Fund	6,257	
Due from Street Construction	1,825	
Due to General Fund		2,078
<u>Enterprise Funds</u>		
<u>Sewer Fund</u>		
Due to Sales Tax Fund		6,257
Due to General Fund	_____	7,623
TOTALS	<u>\$54,120</u>	<u>\$54,120</u>

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

**NOTE E - LITIGATION**

In the opinion of the Village attorney, the potential claims against the Village not covered by insurance would not materially affect the Financial Statements of the Village.

**NOTE F - COMPENSATION OF MAYOR AND BOARD OF ALDERMEN**

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

Terrel McCauley (Mayor)	\$3,900
John Deshotel	1,920
Ricky Cole	1,920
Terry Savant	<u>1,920</u>
Total	<u>\$9,660</u>

**NOTE G - LONG-TERM DEBT**

Enterprise Fund - The Village borrowed \$320,000 on a Farmers Home Administration Note for the construction of a sewer system. The note is a forty year, five percent note with annual payments of \$18,806 beginning in 1992.

Principal payments to maturity are as follows:

<u>Year</u>	<u>Amounts</u>
2000	\$ 4,179
2001	4,354
2002	4,571
2003	4,800
2004	5,040
2005-2030	<u>270,372</u>
Total	<u>\$293,316</u>

General Long-Term Debt - The Village borrowed \$19,931 from Citizens Bank for the purchase of a police car. The loan is a 4 year, 8.50 percent loan with monthly payments of \$492.54.

Principal payments to maturity are as follows:

<u>Year</u>	<u>Amounts</u>
2000	\$ 4,688
2001	5,086
2002	5,518
2003	<u>1,796</u>
Total	<u>\$17,088</u>

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

NOTE H - CHANGES IN GENERAL FIXED ASSETS ARE AS FOLLOWS

	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>	<u>Totals</u>
<u>General Fixed Assets, Beginning of Year</u>	\$47,558	\$115,676	\$1,081,146	\$141,467	\$1,321,847
<u>Additions:</u>					
<u>Special Revenue Funds</u>					
Street Improvements	\$	\$	\$ 75,206	\$	\$ 75,206
<u>General Fund</u>					
Equipment	\$	\$	\$	\$ 30,199	\$ 30,199
Ball Park Improvements			34,940		34,940
Total Additions	\$ -0-	\$ -0-	\$ 110,146	\$ 30,199	\$ 140,345
<u>Deductions:</u>	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<u>General Fixed Assets, End of Year</u>	<u>\$47,558</u>	<u>\$115,676</u>	<u>\$1,191,292</u>	<u>\$171,666</u>	<u>\$1,462,192</u>

NOTE I - CHANGES IN LONG-TERM DEBT

The following is a summary of Notes Payable of the Village for the year ended December 31, 1999:

	<u>Payable January 1, 1999</u>	<u>Additions</u>	<u>Retirements</u>	<u>Payable December 31, 1999</u>
Citizens Bank	\$ -0-	\$19,931	\$ ( 2,843)	\$ 17,088
Farmers Home Administration	<u>296,757</u>	<u>-0-</u>	<u>( 3,441)</u>	<u>293,316</u>
Total Long-Term Debt	<u>\$296,757</u>	<u>\$19,931</u>	<u>\$ ( 6,284)</u>	<u>\$310,404</u>

NOTE J - AMORTIZATION OF CONTRIBUTED CAPITAL FOR CONSTRUCTION PROJECTS

Under National Council in Governmental Accounting Statement 2, grants, entitlements, or shared revenues restricted for the acquisition or construction of capital assets should be recorded as contributed equity. The village received grants for the construction of a sewer system from the following:

LA Division of Administration	\$748,869
Total	<u>\$748,869</u>

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

Depreciation recognized on assets acquired or constructed through such resources externally restricted for capital acquisitions may be closed to the appropriate contributed capital account and reported in the operating statement under operating expenses. If this option is followed, the net income (loss), adjusted by the amount of depreciation on fixed assets acquired or constructed through such resources externally restricted for this purpose, is closed to Retained Earnings and reported after Net Income (Loss).

**NOTE K - STATEMENT OF CASH FLOWS**

Under Governmental Accounting Standards Board Statement No. 9, all governmental entities, whose fiscal year begins after December 15, 1989, must adopt a statement of cash flows to replace the statement of changes in financial position for all proprietary funds.

A statement of cash flows presents cash and cash equivalents at the beginning and end of the period. Cash equivalents are defined as short-term, highly liquid investments that are both:

- a. Readily convertible to known amounts of cash.
- b. So near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

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

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

Noncapital financing activities include borrowing money for purposes other than to acquire, construct, or improve capital assets and repaying those amounts borrowed, including interest. This category includes proceeds from all borrowings (such as revenue anticipation notes) not clearly attributable to acquisition, construction or improvement of capital assets, regardless of the form of the borrowing. Also included are certain other interfund and intergovernmental receipts and payments.

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



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

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

**NOTE L - COLLATERALIZATION OF CASH**

Bank Balances at December 31, 1999	\$ 618,045
Less Amount Insured by FDIC	(100,000)
Less Amount Collateralized with Securities Pledged in the Village's Name	<u>(302,698)</u>
Uninsured/Uncollateralized Bank Balances at December 31, 1999	<u>\$ 215,347</u>

The Village's cash was not adequately collateralized at December 31, 1999.

**NOTE M - VIOLATIONS OF STATE BUDGET LAW**

Actual expenditures of the Village's General Fund exceeded budgeted amounts by more than 5%. Management did not amend the budget accordingly, a violation of state budget law. Management overlooked this requirement.

**NOTE N - FIVE YEAR, THREE MILLS PROPERTY TAX**

Proceeds of the five year, three mills property tax approved by special election in May of 1997 are dedicated to the purpose of improving, maintaining, and operating the recreational facilities of the Village of Pine Prairie, including acquiring recreational equipment. The tax is in effect beginning with the year 1997 and ending with the year 2001.

**NOTE O - NO EVIDENCE TO SUPPORT APPROVAL FROM PROPER AUTHORITIES FOR EXPENDITURE AND INCURRENCE OF DEBT**

The Village did not maintain evidence to support the approval from proper authorities for the expenditure and incurrence of debt for a new police vehicle.

SPECIAL REVENUE FUNDS

Street Maintenance Fund:

To account for the receipt and use of proceeds of the Village's 7.00 mill tax on all property subject to state taxation in the Village. The expenditures are for the purpose of maintaining streets in the Village.

Street Construction Fund:

To account for the receipt and use of proceeds of the Village's 5.00 mill tax on all property subject to state taxation in the Village. The expenditures are for the purpose of constructing streets in the Village.

Sales Tax Fund:

To account for the receipt and use of the Village's 2% sales and use tax. These taxes are dedicated for, after paying the necessary cost of collection and administration, the hard surfacing and re-sealing and maintaining of roads in the Village, and for the payment of bonds or other funded indebtedness of said Village incurred for said purposes.

Trees for the Village  
Fund:

To account for the receipt and use of proceeds of the Village's grant and donations for a Village Beautification Project.



VILLAGE OF PINE PRAIRIE  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 1999

	<u>Street Maintenance Tax Fund</u>	<u>Street Construction Tax Fund</u>	<u>Sales Tax Fund</u>	<u>Trees for the Village Fund</u>	<u>Totals</u>
<u>ASSETS</u>					
Cash on Deposit	\$ 350	\$	\$ 25,560	\$1,573	\$ 27,483
Savings Account		37,904	34,415		72,319
Property Taxes Receivable	11,965	8,548			20,513
Sales Taxes Receivable			8,348		8,348
Due from General Fund	2,040	1,523	30,275		33,838
Due from Street Maintenance Fund		2,000	499		2,499
Due from Sewer Fund			6,257		6,257
Due from Street Construction			1,825		1,825
Total Assets	<u>\$14,355</u>	<u>\$49,975</u>	<u>\$107,179</u>	<u>\$1,573</u>	<u>\$173,082</u>
<u>LIABILITIES AND FUND BALANCE</u>					
<u>Liabilities:</u>					
Withholding & Payroll Taxes Payable	\$	\$	\$ 1,376	\$	\$ 1,376
Due to General Fund			2,079		2,079
Due to Sales Tax Fund	499	1,825			2,324
Due to Street Construction Fund	<u>2,000</u>				<u>2,000</u>
Total Liabilities	<u>\$ 2,499</u>	<u>\$ 1,825</u>	<u>\$ 3,455</u>	<u>\$ -0-</u>	<u>\$ 7,779</u>
<u>Fund Balance:</u>					
Undesignated	<u>\$11,856</u>	<u>\$48,150</u>	<u>\$103,724</u>	<u>\$1,573</u>	<u>\$165,303</u>
Total Fund Balance	<u>\$11,856</u>	<u>\$48,150</u>	<u>\$103,724</u>	<u>\$1,573</u>	<u>\$165,303</u>
 Total Liabilities and Fund Balance	 <u>\$14,355</u>	 <u>\$49,975</u>	 <u>\$107,179</u>	 <u>\$1,573</u>	 <u>\$173,082</u>

VILLAGE OF PINE PRAIRIE  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Street</u> <u>Maintenance</u> <u>Tax Fund</u>	<u>Street</u> <u>Construction</u> <u>Tax Fund</u>	<u>Sales</u> <u>Tax</u> <u>Fund</u>	<u>Trees</u> <u>for the</u> <u>Village Fund</u>	<u>Totals</u>
<u>Revenue:</u>					
Tax: Sales	\$	\$	\$128,217	\$	\$128,217
Tax: Property	<u>13,393</u>	<u>9,561</u>	<u>          </u>	<u>          </u>	<u>22,954</u>
Total Revenues	<u>\$13,393</u>	<u>\$ 9,561</u>	<u>\$128,217</u>	<u>\$ -0-</u>	<u>\$151,171</u>
<u>Expenditures</u>					
<u>Current:</u>					
General Government	\$	\$	\$ 68,891	\$ 4,761	\$ 73,652
Street Department	5,161				5,161
Capital Outlays	<u>8,700</u>	<u>          </u>	<u>66,506</u>	<u>          </u>	<u>75,206</u>
Total Expenditures	<u>\$13,861</u>	<u>\$ -0-</u>	<u>\$135,397</u>	<u>\$ 4,761</u>	<u>\$154,019</u>
<u>Other Financing Sources (Uses)</u>					
Interest Income	\$	\$ 1,261	\$ 2,289	\$	\$ 3,550
Operating Transfers Out		(21,180)	( 6,100)		(27,280)
Operating Transfers In	<u>          </u>	<u>          </u>	<u>34,024</u>	<u>          </u>	<u>34,024</u>
Total Other Financing Sources (Uses)	<u>\$ -0-</u>	<u>\$(19,919)</u>	<u>\$ 30,213</u>	<u>\$ -0-</u>	<u>\$ 10,294</u>
<u>EXCESS (Deficiency) OF REVENUES</u>					
<u>AND OTHER FINANCING SOURCES</u>					
<u>OVER EXPENDITURES AND OTHER</u>					
<u>FINANCING (USES)</u>					
	\$( 468)	\$(10,358)	\$ 23,033	\$(4,761)	\$ 7,446
<u>FUND BALANCE, BEGINNING</u>					
<u>OF YEAR</u>					
	<u>12,324</u>	<u>58,508</u>	<u>80,691</u>	<u>6,334</u>	<u>157,857</u>
<u>FUND BALANCE, END OF YEAR</u>					
	<u>\$11,856</u>	<u>\$ 48,150</u>	<u>\$103,724</u>	<u>\$ 1,573</u>	<u>\$165,303</u>

# MICHAEL W. JOHNSON

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Aldermen  
Village of Pine Prairie, Louisiana

I have audited the general purpose financial statements of the Village of Pine Prairie, Louisiana, as of and for the year ended December 31, 1999, and have issued my report thereon dated June 26, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Village of Pine Prairie, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings as Finding No.'s 1999-2, 1999-3, and 1999-4.

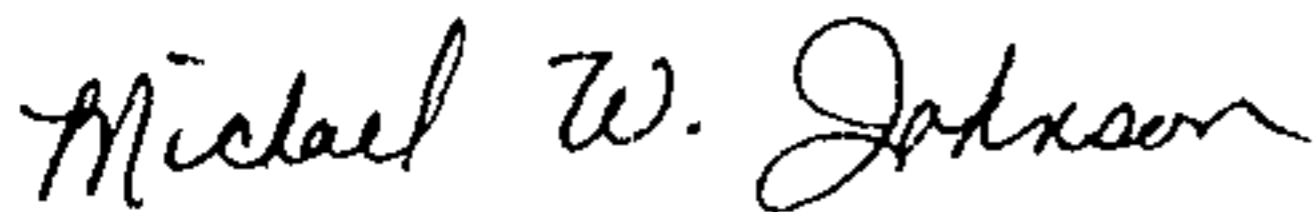
### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village of Pine Prairie, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Village of Pine Prairie, Louisiana's ability to record, process, summarize and report financial data consistent with the

assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings as Finding No.'s 1999-1, 1999-2, 1999-3, and 1999-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider Finding No.'s 1999-2, 1999-3, and 1999-4 to be material weaknesses.

This report is intended for the information of management, the Board of Aldermen, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Michael W. Johnson  
Certified Public Accountant

Eunice, Louisiana  
June 26, 2000

**VILLAGE OF PINE PRAIRIE**  
**SCHEDULE OF FINDINGS**  
**For the Year Ended December 31, 1999**

I have audited the financial statements of the Village of Pine Prairie, Louisiana as of and for the year ended December 31, 1999, and have issued my report thereon dated June 26, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 1999 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No      Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

**Section II Financial Statement Findings**

**1999-1. Inadequate Segregation of Duties**

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

Cause:                     The condition is due to economic and space limitations.

Recommendation:        No action is recommended.

**1999-2. Cash Not Adequately Collateralized**

Finding:                    The Village's cash was not adequately collateralized at December 31, 1999.

Cause:                     Management overlooked this requirement.

Recommendation:        Management should establish procedures to ensure that the Village's cash is adequately collateralized at all times.

**1999-3. Violation of State Budget Law**

Finding: Actual expenditures of the Village's General Fund exceeded budgeted amounts by more than 5% and management did not amend the budget accordingly.

Cause: Management overlooked this requirement.

Recommendation: Management should monitor actual expenditures against budgeted amounts and amend the budget accordingly.

**1999-4. No Evidence to Support Approval from Proper Authorities for Expenditure and Incurrence of Debt**

Finding: The Village did not maintain evidence to support the approval from the proper authorities for the expenditure and incurrence of debt for a new police vehicle.

Cause: Management overlooked this requirement.

Recommendation: Management should maintain evidence to support approval from the proper authorities for expenditures and incurrence of debt.



VILLAGE OF PINE PRAIRIE  
SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 1999

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

- |  |                                      |
|--|--------------------------------------|
| <b>Finding No. 1998-2 Cash not Adequately Collateralized:</b><br>Management should establish procedures to ensure that the Village's cash is adequately collateralized at all times.             | Unresolved. (See Finding No. 1999-2) |
| <b>Finding No. 1998-3 Failure to Amend Budget:</b><br>Management should monitor actual expenditures and other uses against budgeted amounts and amend the budget accordingly.                    | Unresolved. (See Finding No. 1999-3) |
| <b>Finding No. 1998-4 Budget Not Timely Adopted:</b><br>The Village should adopt the budgets for its General and Special Revenue Funds prior to the commencement of the year being budgeted for. | Resolved.                            |



VILLAGE OF PINE PRAIRIE  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
For the Year Ended December 31, 1999

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

**Finding No. 1999-2 Cash not Adequately Collateralized:**  
Management should establish procedures to ensure that the Village's cash is adequately collateralized at all times.

Management will establish procedures to ensure that the Village's cash is adequately collateralized at all times.

**Finding No. 1999-3 Violation of State Budget Law:**  
Management should monitor actual expenditures against budgeted amounts and amend the budget accordingly.

Management will monitor actual expenditures against budgeted amounts and amend the budget accordingly.

**Finding No. 1999-4 No Evidence to Support Approval from Proper Authorities for Expenditure and Incurrence of Debt:**  
Management should maintain evidence to support the approval from proper authorities for expenditures and incurrence of debt.

Management will maintain evidence to support approval from the proper authorities for expenditures and incurrence of debt.

# MICHAEL W. JOHNSON

*Certified Public Accountant*

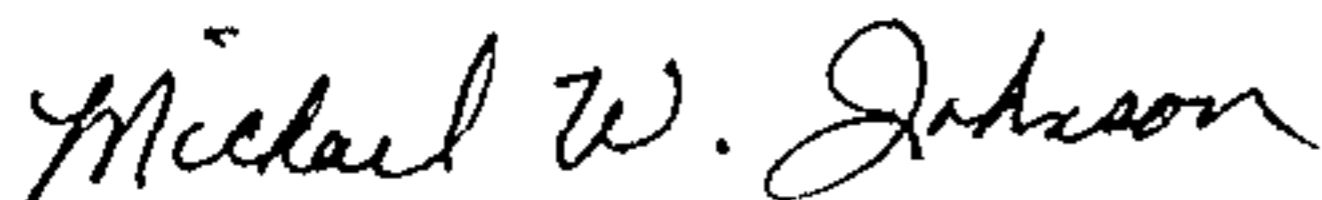
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To the Board of Aldermen  
Village of Pine Prairie, Louisiana

The audited financial statements of the Village of Pine Prairie, Louisiana and my report thereon is presented in the preceding section of this report. The financial information presented hereinafter was derived from the accounting records tested by me as part of the auditing procedures followed in my examination of the aforementioned financial statements, and in my opinion it is fairly presented in all material respects in relation to the financial statements taken as a whole; however, it is not necessary for a fair presentation of the financial position, results of operations, and cash flows of the Village of Pine Prairie, Louisiana.



Michael W. Johnson  
Certified Public Accountant

Eunice, Louisiana  
June 26, 2000

# MICHAEL W. JOHNSON

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To the Board of Aldermen  
Village of Pine Prairie, Louisiana

## Supplemental Letter

I have audited the financial statements of the Village of Pine Prairie, Louisiana for the year ended December 31, 1999 and have issued my report thereon dated June 26, 2000. As part of my audit I made a study and evaluation of the Village of Pine Prairie, Louisiana's system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of my study and evaluation was necessary for expressing an opinion on the Village's financial statements. My study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of the Village of Pine Prairie, Louisiana is responsible for establishing and maintaining a system of internal accounting control. In fulfilling that responsibility, estimates, and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with procedures may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of the Village of Pine Prairie, Louisiana taken as a whole. However, my study and evaluation disclosed the following conditions that I believed to be material weaknesses:

Finding:                   The Village's cash was not adequately collateralized at December 31, 1999.

Cause: Management overlooked this requirement.

Recommendation: Management should establish procedures to ensure that the Village's cash is adequately collateralized at all times.

Finding: Actual expenditures of the Village's General Fund exceeded budgeted amounts by more than 5% and management did not amend the budget accordingly.

Cause: Management overlooked this requirement.

Recommendation: Management should monitor actual expenditures against budgeted amounts and amend the budget accordingly.

Finding: The Village made an expenditure for a new police vehicle in an amount above the state bid requirement level without advertising and letting to the lowest responsible bidder.

Cause: Management overlooked this requirement.

Recommendation: Management should advertise and let to the lowest responsible bidder for expenditures in amounts above the state bid requirement level.

Finding: The Village did not maintain evidence to support the approval from proper authorities for the expenditure and incurrence of debt for a new police vehicle.

Cause: Management overlooked this requirement.

Recommendation: Management should maintain evidence to support the approval from proper authorities for expenditures and incurrence of debt.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

The Village of Pine Prairie, Louisiana has insurance coverage of the following types, amounts, and expiration dates:

<u>TYPE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>
Automobile Liability	\$500,000	5/1/01
Commercial General Liability	500,000	5/1/01
Law Enforcement Officer's Comprehensive Liability	500,000	5/1/01
Public Officials' Errors and Omissions Liability	500,000	5/1/01
Worker's Compensation	500,000	1/1/01
Commercial Property	111,700	1/14/01

Accounts Receivable were aged as follows:

0 - 30 days	\$4,504
31 - 60 days	808
61 - 90 days	62
90 - 120 days	9
Over 120 days	<u>1,704</u>
	<u>\$7,087</u>

This report is intended solely for the use of management and Farmers Home Administration and should not be used for any other purpose.

*Michael W. Johnson*

Michael W. Johnson  
Certified Public Accountant

Eunice, Louisiana  
June 26, 2000