

---

**VILLAGE OF PORT VINCENT, LOUISIANA**

**FINANCIAL REPORT**

**JUNE 30, 2017**

---

**VILLAGE OF PORT VINCENT, LOUISIANA**

**FINANCIAL REPORT**

**JUNE 30, 2017**

## TABLE OF CONTENTS

### **INDEPENDENT AUDITORS' REPORT**

Independent Auditors' Report	1-2
------------------------------	-----

### **REQUIRED SUPPLEMENTARY INFORMATION-PART I**

Management's Discussion and Analysis	3-8
--------------------------------------	-----

### **BASIC FINANCIAL STATEMENTS**

#### **Government Wide Financial Statements (GWFS)**

Statement of Net Position	9
Statement of Activities	10

#### **Fund Financial Statements (FFS)**

Balance Sheet - Governmental Funds	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement Of Activities	14
Statement of Net Position - Proprietary Fund	15
Statement of Revenues, Expenses, and Changes In Net Position - Proprietary Fund	16
Statement of Cash Flows - Proprietary Fund	17

Notes to Financial Statements	18-33
-------------------------------	-------

### **REQUIRED SUPPLEMENTARY INFORMATION- PART II**

Budgetary Comparison Schedule - General Fund	34
Schedule of Proportionate Share of the Net Pension Liability	35
Schedule of System Contributions	36

### **OTHER SUPPLEMENTARY INFORMATION**

Schedule of Per Diem Paid	37
Schedule of Compensation, Benefits, and Other Payments to Agency Head Or Chief Executive Officer	38

### **OTHER REPORTS REQUIRED BY GOVERNMENTAL ACCOUNTING STANDARDS**

Schedule of Findings and Responses	39
Summary Schedule of Prior Year Findings	40
Independent Auditors' Report on Internal Control over Financial and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	41-42



## INDEPENDENT AUDITORS' REPORT

To the Honorable Mr. Johnnie Page, Mayor  
And Board of Aldermen  
Port Vincent, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund information of the Village of Port Vincent, Louisiana, as of and for the year then ended, June 30, 2017, and the related notes to the financial statement, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' 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 statements contained in *Governmental 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 error or fraud. 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 respective financial position of the governmental activities, the business-type activities, and each major fund information of the Village of Port Vincent, Louisiana, as of June 30, 2017, 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 management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability, and schedule of system contributions on pages 3 through 8 and 34 through 36, respectively, 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 assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

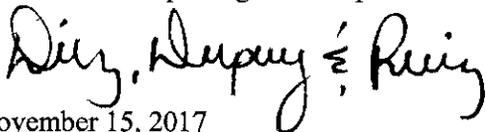
### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Port Vincent, Louisiana's basic financial statements. The schedule of per diem paid and the schedule of compensation, benefits and other payments to agency head or chief executive officer is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of per diem paid and the schedule of compensation, and the benefits and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 per diem paid and the schedule of compensation, benefits and other payments to agency head or chief executive officer 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 November 15, 2017 on our consideration of the Village of Port Vincent, Louisiana'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 the 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 Port Vincent, Louisiana's internal control over financial reporting and compliance.



November 15, 2017  
Gonzales, Louisiana

## VILLAGE OF PORT VINCENT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

This section of Village's annual financial report presents our discussion and analysis of the Village's financial performance during the fiscal year that ended on June 30, 2017. This MD&A should be read in conjunction with the Village's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- The Village's combined total net position equaled \$755,715 over the course of the year's operations. Net position of the governmental activities was \$479,938 and \$275,777 in the net position of the business-type activities.
- During the year, the Village's governmental activities expenses were \$29,732 more than the \$482,622 generated in charges for services, capital grants & contributions, taxes, and other revenue. In the Village's business-type activities, total revenues were \$49,685 and total expenses were \$44,623.
- The Village's general fund reported an increase in fund balance of \$22,163 during the fiscal year.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts-management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the Village:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Village's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Village government, reporting the Village's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as water.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Village's financial statements, including the portion of the Village's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

**VILLAGE OF PORT VINCENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2017**

**Figure A-1  
Major Features of Village's Government and Fund Financial Statements  
Fund Statements**

	<b>Government-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Fund</b>
Scope	Entire Village Government (except fiduciary funds)	The activities of the Village that are not proprietary or fiduciary, such as police, fire, and parks	Activities the Village operates similar to private businesses: the water system
Required financial statements	<ul style="list-style-type: none"><li>• Statement of net position</li><li>• Statement of activities</li></ul>	<ul style="list-style-type: none"><li>• Balance Sheet</li><li>• Statement of revenues, expenditures, and changes in fund balances</li></ul>	<ul style="list-style-type: none"><li>• Statement of net position</li><li>• Statement of revenues, expenses, and changes in net position</li><li>• Statement of cash flows</li></ul>
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

## VILLAGE OF PORT VINCENT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

#### **Government-wide Statements**

The government-wide statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Village's net position and how they have changed. Net position the difference between the Village's assets and liabilities-is one way to measure the Village's financial health, or position.

- Over time, increases or decreases in the Village's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the Village are divided into two categories:

- Governmental activities-most of the Village's basic services are included here, such as the police department, and general administration. Fines and fees finance most of these activities.
- Business-type activities-The Village charges fees to customers to help it cover the costs of certain services it provides. The Village's water system is included here.

#### **Fund Financial Statements**

The fund financial statements provide more detailed information about the Village's most significant funds- not the Village as a whole. Funds are accounting devices that the Village uses to keep track of specific sources of funding and spending for particular purposes.

The Village has two kinds of funds:

- Governmental funds-Most of the Village's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- Proprietary fund-Services for which the Village charges customers a fee is generally reported in the proprietary fund. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information.
  - In fact, the Village's enterprise fund (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

**VILLAGE OF PORT VINCENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2017**

**FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

**Net position.** The Village's combined net position was \$755,715 at the end of the fiscal year. (See Table A-1.)

**Table A-1  
Village's Net Position  
Governmental Activities**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Current and other assets	\$ 433,724	\$ 409,544	\$ 156,360	\$ 128,091
Capital assets, net	165,215	147,942	121,441	144,581
Total assets	598,939	557,486	277,801	272,672
Deferred outflows of resources	232,377	147,177	-	-
<b>Total assets and deferred outflows of resources</b>	<b>831,316</b>	<b>704,663</b>	<b>277,801</b>	<b>272,672</b>
Current liabilities	26,415	24,398	2,024	1,957
Long term liabilities	319,173	164,427	-	-
Total liabilities	345,588	188,825	2,024	1,957
Deferred inflows of resources	5,790	6,168	-	-
<b>Total liabilities and deferred inflows of resources</b>	<b>351,378</b>	<b>194,993</b>	<b>2,024</b>	<b>1,957</b>
Net position				
Net investment in capital assets	165,215	147,942	121,441	144,581
Unrestricted	314,723	361,728	154,336	126,134
<b>Total net position</b>	<b>\$ 479,938</b>	<b>\$ 509,670</b>	<b>\$ 275,777</b>	<b>\$ 270,715</b>

**Changes in net position.** The Village's total revenues for all programs were \$664,833 at year end (See Table A-2.) Approximately 77 percent of the Village's revenue comes from fines, fees, and charges for services. Taxes and licenses make up 11 percent and the rest is interest, rent, and miscellaneous revenue.

The total cost of all programs and services were \$513,874. The Village's expenses cover all services performed by its office.

**VILLAGE OF PORT VINCENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2017**

**Table A-2**  
**Changes in Village's Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 350,401	\$ 460,156	\$ 49,469	\$ 54,565
Capital contribution	19,628	27,243	-	21,085
General revenues				
Intergovernmental	88,079	75,189	-	-
Miscellaneous	22,738	26,065	-	-
Interest	1,776	463	216	67
<b>Total revenues</b>	<b>482,622</b>	<b>589,116</b>	<b>49,685</b>	<b>75,717</b>
<b>Expenses</b>				
General government	251,653	235,631	44,623	63,576
Public safety	260,701	214,667	-	-
<b>Total expenses</b>	<b>512,354</b>	<b>450,298</b>	<b>44,623</b>	<b>63,576</b>
<b>Changes in net position</b>	<b>\$ (29,732)</b>	<b>\$ 138,818</b>	<b>\$ 5,062</b>	<b>\$ 12,141</b>

**Governmental Activities**

Revenues for the Village's governmental activities were \$29,732 less than total expenses for year end. The cost of all governmental activities this year was \$512,354. Decreases in net position are primarily due to less law enforcement activity on traffic violations.

**Business-type Activities**

Revenues were \$49,685 and expenses were \$4,623 of the Village's business-type activities.

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

As the Village completed the year, its governmental funds reported a combined fund balance of \$407,309. General Fund's fund balance increased by \$22,163. There was a decrease in revenues due to less law enforcement activity on traffic violations following the August 2016 flooding. The Village's Proprietary Fund increased net position by \$5,062 over the year. Revenues decreased due to displaced residents and business from the August 2016 flooding. Expenses decreased due to decreases in maintenance and repair costs.

**VILLAGE OF PORT VINCENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2017**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, there were no amendments made to the general fund budget.

**CAPITAL ASSETS**

At the end of 2017, the Village had invested approximately \$286,656 in a broad range of capital assets, including police equipment, vehicles, buildings, and water well systems. (See Table A-3)

**Table A-3  
Village's Capital Assets**

	<b><u>Governmental Activities</u></b>	<b><u>Business Activities</u></b>
Land	\$ 61,928	\$ -
Buildings	107,472	-
Lines, meters, & plant	-	631,145
Equipment, Furniture & Fixtures	101,624	5,896
Vehicles	72,255	-
Less: Accumulated depreciation	(178,064)	(515,600)
<b>Total</b>	<b><u>\$ 165,215</u></b>	<b><u>\$ 121,441</u></b>

During the year, the Village purchased land for \$51,928.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Village is dependent on fines and court costs for 85% of its revenues. Taxes, licenses, fees, and permits account for 11%. The economy is not expected to generate any significant growth; however, the Village is expected to return to a financial position previous to the 2016 August flood. Therefore, the Village's revenues and expenditures are expected to increase compared to the current years.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Johnnie Page, Mayor, 18235 LA Hwy 16, Port Vincent, LA 70726.

**VILLAGE OF PORT VINCENT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>			
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 407,115	\$ 138,637	\$ 545,752
Receivables	26,609	4,105	30,714
Due from other funds	-	13,618	13,618
Capital assets, net of accumulated depreciation	165,215	121,441	286,656
	<u>598,939</u>	<u>277,801</u>	<u>876,740</u>
Total assets			
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension related	232,377	-	232,377
Total deferred outflows of resources	<u>232,377</u>	<u>-</u>	<u>232,377</u>
Total assets and deferred outflows of resources	<u>\$ 831,316</u>	<u>\$ 277,801</u>	<u>\$ 1,109,117</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u></b>			
<b><u>LIABILITIES</u></b>			
Accrued expenses	\$ 12,797	\$ -	\$ 12,797
Due to other funds	13,618	-	13,618
Customer advances	-	2,024	2,024
Long-term liabilities:			
Net pension liability	319,173	-	319,173
	<u>345,588</u>	<u>2,024</u>	<u>347,612</u>
Total liabilities			
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension related	5,790	-	5,790
Total deferred inflows of resources	<u>5,790</u>	<u>-</u>	<u>5,790</u>
Total liabilities and deferred inflows of resources	<u>351,378</u>	<u>2,024</u>	<u>353,402</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	165,215	121,441	286,656
Unrestricted	314,723	154,336	469,059
	<u>479,938</u>	<u>275,777</u>	<u>755,715</u>
Total net position			
Total liabilities, deferred inflows of resources and net position	<u>\$ 831,316</u>	<u>\$ 277,801</u>	<u>\$ 1,109,117</u>

The accompanying notes are an integral part of this financial statement.

**VILLAGE OF PORT VINCENT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 228,088	\$ -	\$ 19,628	\$ (208,460)	\$ -	\$ (208,460)
Public safety	284,266	350,401	-	66,135	-	66,135
Total governmental activities	<u>512,354</u>	<u>350,401</u>	<u>19,628</u>	<u>(142,325)</u>	<u>-</u>	<u>(142,325)</u>
Business-type activities:						
Utility operations	44,623	49,469	-	-	4,846	4,846
Total primary government	<u>\$ 556,977</u>	<u>\$ 399,870</u>	<u>\$ 19,628</u>	<u>(142,325)</u>	<u>4,846</u>	<u>(137,479)</u>
General Revenues:						
Intergovernmental revenues:						
State supplemental				18,433	-	18,433
Parish supplemental				3,600	-	3,600
Beer tax				1,949	-	1,949
Franchise taxes and permits				36,997	-	36,997
Insurance premium tax				17,506	-	17,506
Occupational licenses				9,594	-	9,594
Interest income				1,776	216	1,992
Other:						
Cellular tower rental				8,869	-	8,869
Other income				13,869	-	13,869
Total general revenues				<u>112,593</u>	<u>216</u>	<u>112,809</u>
Change in net position				(29,732)	5,062	(24,670)
Total net position - July 1, 2016				<u>509,670</u>	<u>270,715</u>	<u>780,385</u>
Total net position - June 30, 2017				<u>\$ 479,938</u>	<u>\$ 275,777</u>	<u>\$ 755,715</u>

The accompanying notes are an integral part of this financial statement.

**VILLAGE OF PORT VINCENT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	General Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 407,115	\$ -	\$ 407,115
Receivables	16,950	9,659	26,609
<b>Total assets</b>	<b>\$ 424,065</b>	<b>\$ 9,659</b>	<b>\$ 433,724</b>
<b>LIABILITIES</b>			
Accrued expenses	\$ 12,797	\$ -	\$ 12,797
Due to other funds	13,618	-	13,618
<b>Total liabilities</b>	<b>26,415</b>	<b>-</b>	<b>26,415</b>
<b>FUND BALANCE</b>			
Unassigned	397,650	9,659	407,309
<b>Total fund balance</b>	<b>397,650</b>	<b>9,659</b>	<b>407,309</b>
<b>Total liabilities and fund balance</b>	<b>\$ 424,065</b>	<b>\$ 9,659</b>	<b>\$ 433,724</b>

The accompanying notes are an integral part of this statement.

**VILLAGE OF PORT VINCENT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

Total fund balances at June 30, 2017 - Governmental Funds		\$ 407,309
Amounts reported for governmental activities in the statement of net position is different because:		
Deferred outflows - pension related		232,377
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds		
Cost of capital assets at June 30, 2017	\$ 343,279	
Less: accumulated depreciation as of June 30, 2017	<u>(178,064)</u>	165,215
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in governmental funds		
Net pension liability		(319,173)
Deferred inflows - pension related		<u>(5,790)</u>
Total net position at June 30, 2017 - Governmental Activities		<u>\$ 479,938</u>

The accompanying notes are an integral part of this financial statement.

**VILLAGE OF PORT VINCENT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Fines and court fees	\$ 350,401	\$ -	\$ 350,401
Intergovernmental revenues:			
State and local grants	19,628		19,628
State supplemental	18,433	-	18,433
Parish supplemental	3,600	-	3,600
Beer tax	1,949	-	1,949
Franchise taxes and permits	36,997		36,997
Insurance premium tax	17,506	-	17,506
Occupational licenses	9,594	-	9,594
Interest income	1,776	-	1,776
Other:			
Cellular tower rental	8,869	-	8,869
Other income	7,533	-	7,533
Total revenues	<u>476,286</u>	<u>-</u>	<u>476,286</u>
<b>EXPENDITURES</b>			
Current:			
General government	216,998	-	216,998
Public safety	185,197	-	185,197
Capital outlay	51,928	-	51,928
Total expenditures	<u>454,123</u>	<u>-</u>	<u>454,123</u>
Excess of revenues over expenditures	22,163	-	22,163
Fund balance at beginning of year	<u>375,487</u>	<u>9,659</u>	<u>385,146</u>
Fund balance at end of year	<u>\$ 397,650</u>	<u>\$ 9,659</u>	<u>\$ 407,309</u>

The accompanying notes are an integral part of this statement.

**VILLAGE OF PORT VINCENT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**JUNE 30, 2017**

Total net changes in fund balance for the year ended June 30, 2017 \$ 22,163

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by capital outlays exceeded depreciation in the current period.

Capital outlay included in expenditures	51,928	
Depreciation expense for year ended June 30, 2017	<u>(34,655)</u>	17,273
Non-employer contributions to cost-sharing pension plan		6,336
Change in net pension liability and deferred inflows/outflows of resources		<u>(75,504)</u>
Change in net position - Governmental Activities		<u>\$ (29,732)</u>

The accompanying notes are an integral part of this financial statement.

**VILLAGE OF PORT VINCENT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2017**

	<u>Utility Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 138,637
Account receivables	4,105
Due from other funds	13,618
Capital assets, net of accumulated depreciation	121,441
<b>Total assets</b>	<b>277,801</b>
 <b>LIABILITIES</b>	
Customer advances	2,024
<b>Total liabilities</b>	<b>2,024</b>
 <b>NET POSITION</b>	
Net investment in capital assets	121,441
Unrestricted	154,336
<b>TOTAL NET POSITION</b>	<b>\$ 275,777</b>

The accompanying notes are an integral part of this financial statement.

**VILLAGE OF PORT VINCENT**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2017**

	<u>Utility Fund</u>
<b>OPERATING REVENUES</b>	
Charges for service	\$ 49,469
Total operating revenues	49,469
<b>OPERATING EXPENSES</b>	
Administration	3,295
Depreciation	23,140
Maintenance	14,315
Utilities	3,873
Total operating expenses	44,623
Operating income	4,846
<b>NONOPERATING</b>	
Interest income	216
Increase in net position	5,062
<b>Total net position - beginning</b>	270,715
<b>Total net position - ending</b>	\$ 275,777

The accompanying notes are an integral part of this financial statement.

**VILLAGE OF PORT VINCENT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from customers	\$ 48,036
Payments to suppliers	<u>(21,434)</u>
<b>Net cash provided by operating activities</b>	<u><b>26,602</b></u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest received	<u>216</u>
<b>Net cash provided by investing activities</b>	<u><b>216</b></u>

**Net increase in cash and cash equivalents** 26,818

**Cash and cash equivalents - July 1, 2016** 111,819

**Cash and cash equivalents - June 30, 2017** \$ 138,637

**RECONCILIATION OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating income	\$ 4,846
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	23,140
Increase in accounts receivable	(1,433)
Increase in due from other funds	(18)
Increase in current liabilities	<u>67</u>
<b>Net cash provided by operating activities</b>	<u><u>\$ 26,602</u></u>

The accompanying notes are an integral part of this financial statement.

## VILLAGE OF PORT VINCENT

### NOTES TO THE FINANCIAL STATEMENTS

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Organization

The Village of Port Vincent (the Village) was incorporated May 5, 1952 under the provisions of the Lawrason Act and operates under the Mayor - Board of Alderman form of government (LA. RS: 33:321-48) and provides the services set forth in its charter. The Village is governed by a mayor and three aldermen.

##### B. Reporting Entity

As the municipal governing authority, for reporting purposes, the Village of Port Vincent, Louisiana, is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Codification Section 2100, established criteria for determining which component units should be considered part of the Village of Port Vincent, Louisiana, for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity's 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 previous criteria, no component units have been identified and, as a result, these financial statements present only financial position and results of operations of the Village of Port Vincent, Louisiana (the primary government).

## VILLAGE OF PORT VINCENT

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### C. Basis of Presentation, Basis of Accounting

*Government-wide Statements:* The statement of net position and the statement of activities display information about the Village of Port Vincent. These statements include the financial activities of the overall government, except for fiduciary activities. These statements distinguish between the *governmental and business-type activities* of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Village and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Village's funds. Separate statements for each fund category - *governmental and proprietary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, result from nonexchange transactions or ancillary activities.

The Village reports the following major governmental funds:

- a. 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.
- b. Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and agency funds).

## VILLAGE OF PORT VINCENT

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Village reports the following proprietary fund:

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

#### D. Measurement Focus, Basis of Accounting

*Government-wide and Proprietary Fund Financial Statements.* The government-wide and proprietary financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Transfers between funds are not expected to be repaid and are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

## VILLAGE OF PORT VINCENT

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### E. Budgetary Policy and Accounting

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

- 1) The Village's Mayor and Village Aldermen prepare a proposed budget message and budget prior to the beginning of each fiscal year.
- 2) A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- 3) A special meeting is held to conduct a public hearing to review and discuss on the proposed budget.
- 4) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- 5) Budgetary amendments involving the transfer of funds from one department, program, or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Village Aldermen.
- 6) All budgetary appropriations lapse at the end of each fiscal year.
- 7) The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The budget for the Enterprise Fund is adopted under a basis consistent with GAAP, except for depreciation, amortization, and bad debts expense, which are not considered. Such amendments were not material in relation to the original appropriations.

Capital Assets - Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Village maintains a threshold of \$1,000 or more for capitalizing assets.

## VILLAGE OF PORT VINCENT

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40
Building improvements	20-40
Vehicles	5-15
Equipment	3-15

The proprietary fund is accounted for on a cost of service or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or non-current) associated with its activity are included on its balance sheet.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Years</u>
Water distribution systems	25
Well site improvements	9-10
Furniture and office equipment	7

All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available.

Accounts receivables – All receivables are reported net of estimated uncollectible amounts. Management has determined that accounts over 90 days are uncollectible.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with original maturities of three months or less are cash equivalents. Earnings are recorded in the general and proprietary funds.

The Village invests in the Louisiana Asset Management Pool (LAMP). LAMP is a local government 2a7-like pool administered by a non-profit corporation under a State of Louisiana law which permits the LAMP investments to be carried at amortized cost instead of fair value. A 2a7-Like pool is an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940.

## VILLAGE OF PORT VINCENT

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Annual and Sick Leave - The Village's annual and sick leave policy does not provide for the accumulation and vesting of leave.

Pension Plans - The Village is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

Restricted Net Position - For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use either:

Externally imposed by creditors (such as debt covenants), grants, contributors, laws, or regulations of other governments; or

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Equity of Fund Financial Statements - Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

**Nonspendable-** represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

**Restricted-** represents balances where constraints have been established by parties outside the Village or imposed by law through constitutional provisions or enabling legislation.

**Committed-** represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village Alderman.

**Assigned-** represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted or committed.

**Unassigned-** represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

## VILLAGE OF PORT VINCENT

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Village reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Village reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Village has one item that qualifies for this category; pension related deferrals, which are reported in the government-wide statement.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Village has one item that qualifies for this category; pension related deferrals. The amounts deferred are recognized as an inflow of resources in the period that the amount becomes available.

#### 2. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2017, are as follows:

##### Governmental activities:

	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost of Capital Assets, June 30, 2016	\$ 10,000	\$ 107,472	\$ 169,810	\$ 97,901	\$ 385,183
Additions	51,928	-	-	-	51,928
Deletions	-	-	68,186	25,646	93,832
Cost of Capital Assets, June 30, 2017	<u>61,928</u>	<u>107,472</u>	<u>101,624</u>	<u>72,255</u>	<u>343,279</u>
Accumulated depreciation, June 30, 2016	-	30,647	152,075	54,519	237,241
Additions	-	20,531	4,802	9,322	34,655
Deletions	-	-	68,186	25,646	93,832
Accumulated depreciation, June 30, 2017	<u>-</u>	<u>51,178</u>	<u>88,691</u>	<u>38,195</u>	<u>178,064</u>
Capital assets, net of accumulated depreciation at June 30, 2017	<u>\$ 61,928</u>	<u>\$ 56,294</u>	<u>\$ 12,933</u>	<u>\$ 34,060</u>	<u>\$ 165,215</u>

For the year ended June 30, 2017, depreciation expense was \$34,655. Depreciation expense of \$11,090 was charged to General Government and \$23,565 was charged to Public Safety.

**VILLAGE OF PORT VINCENT**

**NOTES TO THE FINANCIAL STATEMENTS**

**2. CAPITAL ASSETS (continued)**

During the year ending June 30, 2017, significant flooding occurred within the Village limits. The Village recognized an impairment loss of \$17,002 which is included in the general expenditure function of the statement of activities.

Business-Type Activities:

	Lines, meters, & plants	Equipment	Total
Cost of Capital Assets, June 30, 2016	\$ 631,145	\$ 5,896	\$ 637,041
Additions	-	-	-
Deletions	-	-	-
Costs of Capital Assets, June 30, 2017	<u>631,145</u>	<u>5,896</u>	<u>637,041</u>
Accumulated depreciation, June 30, 2016	486,563	5,896	492,460
Additions	23,140	-	23,140
Deletions	-	-	-
Accumulated depreciation, June 30, 2017	<u>509,704</u>	<u>5,896</u>	<u>515,600</u>
Capital Assets, net of accumulated depreciation at June 30, 2017	<u>\$ 121,441</u>	<u>\$ -</u>	<u>\$ 121,441</u>

For the year ended June 30, 2017, depreciation expense was \$23,140.

**3. CASH AND CASH EQUIVALENTS**

At June 30, 2017, the Village's cash and cash equivalents (book balance) consisted of the following:

	<u>Governmental Funds</u>	<u>Proprietary Fund</u>	<u>Total</u>
Demand Deposits	\$ 74,732	\$ 83,625	\$ 158,357
Funds held in LAMP	<u>332,383</u>	<u>55,012</u>	<u>387,395</u>
Total cash and cash equivalents	<u>\$ 407,115</u>	<u>\$ 138,637</u>	<u>\$ 545,752</u>

The demand deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value for the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The Village invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

## VILLAGE OF PORT VINCENT

### NOTES TO THE FINANCIAL STATEMENTS

#### 3. CASH AND CASH EQUIVALENTS (continued)

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools.

- Credit risk: LAMP is rated AAAM by Standard & Poor's
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable to 2a7-like pools

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2017, these deposits were completely collateralized and/or insured.

#### Credit Risk

State law limits investments in securities issued, or backed by the United States Treasury obligations, and U.S. Government instrumentalities, which are federally sponsored, and other political subdivisions. The Village's investment policy does not further limit its investment choices. As of June 30, 2017, the Village's investment in LAMP was rated AAA by Standard & Poor's.

#### 4. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village has obtained liability insurance through the Louisiana Risk Management Association (LMRMA). This policy includes general liability insurance as well as liability insurance for the Village Hall, the police car and the patrolmen, and an errors and omissions policy on the public officials. In addition, the Village has purchased building and contents insurance on the Village Hall, comprehensive and collision insurance on the police car and worker's compensation insurance.

## VILLAGE OF PORT VINCENT

### NOTES TO THE FINANCIAL STATEMENTS

#### 5. PENSION AND RETIREMENT PLAN

The Village of Port Vincent (the Village) is a participating employer in a cost-sharing defined benefit pension plan. The plan is administered by a public employee retirement system, the Municipal Police Employees' Retirement System (MPERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of the plan to the State Legislature. The system is administered by a separate board of trustees.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. The report may be obtained by writing, calling or downloading the report as follows:

MPERS:

7722 Office Park Boulevard, Suite 200

Baton Rouge, LA 70809

(225) 929-7411

[www.lampers.org](http://www.lampers.org)

The Village implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB 68. These standards require the Village to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

#### **Plan Description: Municipal Police Employees' Retirement System (MPERS)**

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

The following is a brief description of the plan and its benefits and is provided for general information purposes only.

Membership prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 1.2 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200.00 per month, whichever is greater.

## VILLAGE OF PORT VINCENT

### NOTES TO THE FINANCIAL STATEMENTS

#### 5. PENSION AND RETIREMENT PLAN (continued)

Membership Commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statues, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments: The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

Deferred Retirement Option Plan: A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January I, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

**VILLAGE OF PORT VINCENT**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. PENSION AND RETIREMENT PLAN (continued)**

Initial Benefit Option Plan: In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

**Funding Policy**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

Contributions to the plan are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2016, for the Village and covered employees were as follows:

	<u>Village</u>	<u>Employees</u>
All employees hired prior to 01/01/2013 and all Hazardous Duty employees hired after 01/01/2013	29.50%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	31.50%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	32.00%	7.50%

The Village's contributions made to the System for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
MPERS	\$ 34,696	\$ 27,244	\$ 23,097

**VILLAGE OF PORT VINCENT**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. PENSION AND RETIREMENT PLAN (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The following schedule lists the Village's proportionate share of the Net Pension Liability allocated by the pension plan for based on the June 30, 2016 measurement date. The Village uses this measurement to record its Net Pension Liability and associated amount as of June 30, 2017, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2016 along with the change compared to the June 30, 2015 rate. The Village's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30,	Rate at June 30,	Increase (Decrease) on Rate
MPERS			
2017	\$ 319,173	0.0341%	0.0131%
2016	\$ 164,427	0.0210%	0.0096%

The pension plan's recognized pension expense of the Village for the year ended June 30, 2017 was \$110,200.

At June 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources <u>2017</u>	Deferred Outflows of Resources <u>2016</u>	Deferred Inflows of Resources <u>2017</u>	Deferred Inflows of Resources <u>2016</u>
Differences between expected and actual experience	\$ -	\$ -	\$ (5,077)	\$ (3,021)
Changes in assumptions	15,518	14,347	(19)	(24)
Net difference between projected and actual earnings on pension plan investments	49,112	-	-	(3,123)
Changes in proportion and differences in employer contributions and proportionate share of contributions	133,051	101,537	-	-
Differences between allocated and actual contributions	-	4,049	(694)	-
Employer contributions subsequent to the measurement date	34,696	27,244	-	-
	<u>\$ 232,377</u>	<u>\$ 147,177</u>	<u>\$ (5,790)</u>	<u>\$ (6,168)</u>

**VILLAGE OF PORT VINCENT**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. PENSION AND RETIREMENT PLAN (continued)**

The Village reported a total of \$34,696 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2016 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2017. The pension contributions made subsequent to the measurement period was \$34,696.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

Year		
2017	\$	78,187
2018		57,410
2019		43,819
2020		12,475
	\$	<u>191,891</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2017, are as follows:

<b>Valuation Date</b>	June 30, 2016
<b>Actuarial Cost Method</b>	Entry Age Normal Cost
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining</b>	
<b>Service Lives</b>	2016 – 4 years
	2015 – 4 years
	2014 – 4 years
<b>Investment Rate</b>	
<b>of Return</b>	7.50% net of investment expense
<b>Inflation Rate</b>	2.875%

**Mortality** - Mortality assumptions were set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The RP-2000 Employee Table set back 4 years for males and 3 years for females was selected for active members. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table projected to 2029 by Scale AA (set back 1 year for females) was selected for healthy annuitants and beneficiaries. The RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants.

<b>Salary Increases</b>	<b>Years of Salary</b>	<b>Service Growth Rate</b>
	1 - 2	9.75%
	3 - 23	4.75%
	Over 23	4.25%

**VILLAGE OF PORT VINCENT**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. PENSION AND RETIREMENT PLAN (continued)**

**Cost-of-Living Adjustments** – The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The following method is used by the retirement system in determining the long-term rate of return on pension plan investments:

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for the major asset class included in the Retirement System target asset allocations as of June 30, 2016:

Asset Class	Target Allocation	Long-Term Expected
	MPERS	Real Rate of Return MPERS
Equity	53.00%	3.69%
Fixed Income	21.00%	0.49%
Alternatives	20.00%	1.11%
Other	6.00%	0.21%
Total	100.00%	5.50%
Inflation		2.75%
Expected Arithmetic Nominal Return		8.25%

***Discount Rate***

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MPERS was 7.50% for the year ended June 30, 2016.

**VILLAGE OF PORT VINCENT**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. PENSION AND RETIREMENT PLAN (continued)**

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the Village's proportionate share of the Net Pension Liability (NPL) using the discount rate for the Retirement System as well as what the Village's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by the Retirement System:

	<u>Changes in Discount Rate</u>		
	<u>1%</u>	<u>Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>
Net Pension Liability	<u>\$ 425,484</u>	<u>\$ 319,173</u>	<u>\$ 229,914</u>

**Payables to the Pension Plan**

The Village recorded an accrued liability to the MPERS for the year ended June 30, 2017 mainly due to the accrual for payroll at the end of the fiscal year. The amount due is included in liabilities under the amounts reported as accrued expenses. The balance due to the retirement system at June 30, 2017 is \$3,688.

**6. INTERFUND TRANSACTIONS**

At June 30, 2017, the General Fund owed the Utility Fund \$13,618 for assistance in funding repairs and maintenance on capital assets.

**7. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 15, 2017, the date that the financial statements were available to be issued, and determined that no additional disclosures are necessary.

**VILLAGE OF PORT VINCENT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Fines and court fees	\$ 378,000	\$ 378,000	\$ 350,401
Intergovernmental revenues:			
State and local grants	4,500	4,500	19,628
State supplemental	-	-	18,433
Parish supplemental	3,600	3,600	3,600
Beer tax	2,000	2,000	1,949
Franchise taxes and permits	30,000	30,000	36,997
Insurance premium tax	13,500	13,500	17,506
Occupational licenses	15,000	15,000	9,594
Interest income	-	-	1,776
Other:			
Cellular tower rental	8,000	8,000	8,869
Other income	6,000	6,000	7,533
Total revenues	<u>460,600</u>	<u>460,600</u>	<u>476,286</u>
<b>EXPENDITURES</b>			
Current:			
General government	246,950	246,950	216,998
Public Safety	203,000	203,000	185,197
Capital outlay	-	-	51,928
Total expenditures	<u>449,950</u>	<u>449,950</u>	<u>454,123</u>
Excess of revenues over expenditures	10,650	10,650	22,163
Fund balance, July 1, 2016	<u>272,891</u>	<u>272,891</u>	<u>375,487</u>
Fund balance, June 30, 2017	<u>\$ 283,541</u>	<u>\$ 283,541</u>	<u>\$ 397,650</u>

**VILLAGE OF PORT VINCENT**  
**SCHEDULE OF PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>Municipal Police Employee's Retirement System</b>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Assets)	0.0341%	0.0210%	0.0114%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 319,173	\$ 164,427	\$ 71,232
Employer's Covered-Employee Payroll	\$ 111,169	\$ 95,390	\$ 63,891
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	287.1061%	172.3734%	111.4899%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.0422%	70.7300%	75.1000%

*Schedule is intended to show information for 10 years.  
Additional years will be displayed as they become available.*

**VILLAGE OF PORT VINCENT**  
**SCHEDULE OF SYSTEM CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>Municipal Police Employee's Retirement System</b>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 35,296	\$ 28,140	\$ 20,126
Contributions in relation to contractually required contributions	<u>34,696</u>	<u>27,244</u>	<u>23,097</u>
Contribution deficiency (excess)	600	896	(2,971)
Employer's Covered Employee Payroll	\$ 111,169	\$ 95,390	\$ 63,891
Contributions as a % of Covered Employee Payroll	31.75%	29.50%	31.50%

*Schedule is intended to show information for 10 years.  
Additional years will be displayed as they become available.*

**VILLAGE OF PORT VINCENT**  
**SCHEDULE OF PER DIEM PAID**  
**YEAR ENDED JUNE 30, 2017**

	<u>ANNUAL</u>
Mayor, David Carter (7/1/16-12/31/16)	\$ 3,321
Mayor, Johnnie Page (1/1/17-6/30/17)	3,300
Aldermen:	
Johnnie Page (7/1/16-12/31/16)	450
David Carter (1/1/17-6/30/17)	825
Scotty Martone (7/1/16-12/31/16)	450
Monya Crowell (1/1/17-6/30/17)	825
Milton "Gray" Brady	<u>1,275</u>
	<u>\$ 10,446</u>

**VILLAGE OF PORT VINCENT**  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Agency Head Name/Title: David Carter, Mayor (7/1/16-12/31/16)

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 3,321
Per diem	224
Reimbursements	193
Registration fees	200
Conference travel	567
Total	<u>\$ 4,505</u>

Agency Head Name/Title: Johnnie Page, Mayor (1/1/17-6/30/17)

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 3,300
Per diem	-
Reimbursements	-
Registration fees	-
Conference travel	-
Total	<u>\$ 3,300</u>

**VILLAGE OF PORT VINCENT**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2017**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of The Village of Port Vincent.
2. No significant deficiencies are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Village of Port Vincent were disclosed during the audit.

**B. FINANCIAL STATEMENT FINDINGS**

**None**

**C. COMPLIANCE**

**None**

**VILLAGE OF PORT VINCENT**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**YEAR ENDED JUNE 30, 2017**

**A. FINDINGS - FINANCIAL STATEMENTS**

**NONE**

**B. FINDINGS- COMPLIANCE**

**2016-001** Cash Management Laws

**Condition:** The Village had \$34,442 of the bank deposits uncollateralized.

**Current Years Status:** This finding has been resolved.



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

To the Honorable Mr. Johnnie Page, Mayor  
and the Board of Aldermen  
Port Vincent, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund information of the Village of Port Vincent, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Village of Port Vincent, Louisiana's basic financial statements and have issued our report dated November 15, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Village of Port Vincent, Louisiana'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 Village of Port Vincent, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Port Vincent, Louisiana'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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

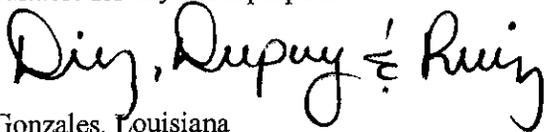
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Port Vincent, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are 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 results 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Diz, Dupuy & Ruiz".

Gonzales, Louisiana  
November 15, 2017



**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable Mayor Johnnie Page, Board of Aldermen, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by The Village of Port Vincent (the Village) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Village's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. 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:

***Written Policies and Procedures***

---

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

*Written policies and procedures were obtained and address the functions noted above.*

- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*Written policies and procedures were obtained and address the functions noted above except the policy did not include procedures of how vendors are added to the vendor list. (exception)*

*Managements response: We will include procedures in the purchasing policy of how vendors are added to the vendor list.*

- c) ***Disbursements***, including processing, reviewing, and approving.

*Written policies and procedures were obtained and address the functions noted above.*

- d) **Receipts**, including receiving, recording, and preparing deposits.

*Written policies and procedures were obtained and address the functions noted above.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*Written policies and procedures were obtained and address the functions noted above.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*No policy was provided. (Exception)*

*Managements response: We will consider adopting a written policy for contracts.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

*Written policies and procedures were obtained and address the functions noted above.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*Written policies and procedures were obtained and address the functions noted above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

*Written policies and procedures were obtained and address the functions noted above.*

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*No policy was provided and no debt was incurred during the fiscal year end. (Exception)*

*Management's response: We do not have any debt; however, will consider adopting a policy.*

***Board (or Finance Committee, if applicable)***

---

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

*Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly.*

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

*Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes included monthly budget-to-actual comparisons for the major funds.*

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

*There was no deficit spending noted.*

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*Obtained and reviewed the minutes of the managing board for the fiscal period noting that non-budgetary financial information was referenced.*

***Bank Reconciliations***

---

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

*Obtained listing of client bank accounts from management and management's representation that listing is complete.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. **Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.** For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

*Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations have been prepared for all months.*

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

*The bank reconciliations prepared for all accounts include evidence that a member of management has reviewed each bank reconciliation.*

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

*Obtained bank statements and reconciliations for all months in the fiscal period noting management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.*

### ***Collections***

---

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

*Obtained listing of cash collection locations and management's representation that listing is complete.*

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

*Collections are performed by two employees. The two employees responsible for collecting cash are bonded. One employee responsible for collecting cash is responsible for depositing the cash in the bank, recording the related transaction, and reconciling the related bank account. The other employee responsible for collecting cash is responsible for depositing the cash in the bank. Both employees share the same cash drawer at one location.*

*Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.*

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

*Written documentation was obtained and addresses the functions noted above; however, this process is not performed by a person independent of the cash collection process.*

*Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*There is one cash collection site for all revenue sources. Deposits were not made within one day of collection. The number of days from receipt to deposit for each location is as follows:*

<u>Location</u>	<u>Number of Receipts</u>	<u>Number of Days from Collection to Deposit</u>
Village Hall	28	2-7 days

*Management's response: Due to the low volume of receipts collected during the week at the noted collection site and limited number of employees, it is not economically feasible for employees to travel to the bank. Deposits not made within one day of collection are kept in a locked deposit bag in a safe until taken to the bank. Deposits are made weekly.*

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

*Sequentially numbered receipts and/or other related collection documentation supported the cash collection.*

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

*The entity does not have a formal process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source by a person who is not responsible for collections.*

*Management's response: Efforts will be made to develop a formal process to determine completeness of all cash collections, including transfer, for each revenue source to the extent possible with the limited number of employees involved.*

**Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)**

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

*Obtained listing of disbursements and management's representation that listing is complete.*

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

*We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions and matched the associated payments.*

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

*We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions and matched the associated payments.*

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

*We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions and matched the associated payments.*

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

*The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.*

*Management's response: The Village is aware of the overlapping duties. The Mayor has overall responsibility for reviewing transactions prior to signing checks for purchases/disbursements in efforts to mitigate risk associated with the limited number of employees involved with these transactions. Management feels that this is the most cost-efficient process for the Village with the limited number of resources available.*

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

*The person with signatory authority or who make the final authorization for disbursements also has responsibility for initiating or recording purchases. The Mayor and Executive Assistant have signatory authority and makes the final authorization for disbursements. The Clerk and Chief of Police has responsibility to initiate purchases. The Clerk can sign checks and records purchases.*

*Management's response: Due to the limited number of resources available, the Village is unable to adequately segregate these duties. However, all checks must have two authorized signatures for payment.*

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

*The supply of unused checks is maintained in a locked location. This locked location is under the control and access of a person who has signatory authority and system access to print checks.*

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*No signature stamp or signature machine is utilized.*

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

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

*Obtained listing of credit cards/debit cards/fuel cards and management's representation that listing is complete.*

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

*On the month tested, supporting documentation was reviewed and approved, in writing by someone other than the authorized card holder without exception.*

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

*No finance charges and/or late fees were assessed on the month tested.*

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

*Each transaction was supported by an original itemized receipt.*

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

*Documentation of business/public purpose was provided without exception.*

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

*All other documentation appeared to be in order.*

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

*No transactions that were tested reflected failures to comply with the Village's written policies, nor were any \$10,000 or more requiring compliance with the Louisiana Public Bid Law.*

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*No evidence of noncompliance noted in the transactions tested.*

### ***Travel and Expense Reimbursement***

---

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

*Obtained listing of all travel and related expense reimbursements, by person, and management's representation that listing is complete.*

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

*The Village utilizes a standard per diem rate per day for meals and incidental expenses and mileage rate for travel reimbursements that is applicable with GSA rates.*

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*All expense reimbursements tested were in accordance with the Village's written policy without exception.*

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

*Itemized receipts were provided for all expense tested that identified what was purchased or reimbursed without exception.*

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

*Each expense was supported by documentation of business purpose without exception.*

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

*Documentation in accordance with written policies was provided without exception.*

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*The Village's documentation of business/public purpose for tested expenses appeared to comply with the requirements of Article 7, section 14 of the Louisiana Constitution.*

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Each expense tested was supported by documentation of reviewal and approval in writing by someone other than the traveler without exception.*

### ***Contracts***

---

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

*Obtained listing of contracts in effect and management's representation that listing was complete.*

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

*No exceptions noted.*

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

*Not applicable.*

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*No noncompliance noted.*

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

*The contracts selected were not amended during the current fiscal period.*

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

*Payments made on each contract were within the terms and conditions of the contract.*

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

*Documentation was provided reflecting approval by the board of the contracts as it is not required by policy or law.*

### ***Payroll and Personnel***

---

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

*Obtained listing of employees with their related salaries and management's representation that listing was complete.*

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*No exceptions noted.*

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

*Changes made to hourly pay rates/salaries during the fiscal period were approved in writing and in accordance with written policy.*

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*No exceptions noted.*

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

*No exceptions noted.*

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

*No exceptions noted.*

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

*There were no employees or officials terminated during the fiscal period.*

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*Documentation reflected that payroll tax return/reports were submitted to the applicable agencies by the required deadlines. One out of the twelve months retirement contributions/reporting forms was not remitted timely to the applicable agency by the required deadline.*

### ***Ethics (excluding nonprofits)***

---

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

*Of the five employees selected for testing, two had failed to obtain the documentation of completion of the required ethics training.*

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*Management asserted that they have received no allegations during the fiscal period.*

#### ***Debt Service (excluding nonprofits)***

---

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

*No debt was issued during the fiscal period.*

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

*The Village did not have outstanding debt during the current fiscal period.*

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

*Not applicable.*

#### ***Other***

---

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Management asserted that the entity did not have any misappropriations of public funds or assets.*

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Required notice was posted on the Village's premises and website.*

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

*No exceptions noted.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

A handwritten signature in cursive script that reads "Dier, Dupuy & Ruiz". The signature is written in dark ink and is positioned above the typed name and date.

Gonzales, Louisiana  
November 15, 2017