

TOWN OF PORT BARRE, LOUISIANA

Financial Report

Year Ended September 30, 2018

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INDEPENDENT AUDITOR'S REPORT

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The Honorable John Ardoin, Mayor,
and Members of the Board of Aldermen
Town of Port Barre, 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 of the Town of Port Barre, Louisiana (the Town), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of the Town, as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 36 through 39 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 financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information on pages 41 through 54 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 comparative statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The prior year comparative information on the comparative statements has been derived from the Town's 2017 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in the relation to the basic financial statements from which they have been derived.

The various schedules included in other supplementary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2019, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 28, 2019

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

TOWN OF PORT BARRE, LOUISIANA

Statement of Net Position
September 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 721,235	\$ 25,245	\$ 746,480
Receivables, net	29,576	174,234	203,810
Internal balances	(99,489)	99,489	-
Due from other governmental units	11,694	-	11,694
Total current assets	<u>663,016</u>	<u>298,968</u>	<u>961,984</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	240,855	240,855
Capital assets:			
Land and construction in progress	86,425	15,292	101,717
Other capital assets, net	2,546,510	4,310,844	6,857,354
Total noncurrent assets	<u>2,632,935</u>	<u>4,566,991</u>	<u>7,199,926</u>
Total assets	<u>3,295,951</u>	<u>4,865,959</u>	<u>8,161,910</u>
LIABILITIES			
Current liabilities:			
Accounts, salaries and other payables	66,916	195,844	262,760
Retainage payable	-	40,042	40,042
Customers' deposits	-	170,005	170,005
Capital lease payable	-	55,422	55,422
Bonds payable	-	53,000	53,000
Accrued interest	-	1,697	1,697
Total current liabilities	<u>66,916</u>	<u>516,010</u>	<u>582,926</u>
Noncurrent liabilities:			
Capital lease payable	-	321,495	321,495
Bonds payable	-	224,000	224,000
Total noncurrent liabilities	<u>-</u>	<u>545,495</u>	<u>545,495</u>
Total liabilities	<u>66,916</u>	<u>1,061,505</u>	<u>1,128,421</u>
NET POSITION			
Net investment in capital assets	2,632,935	3,725,219	6,358,154
Restricted for sales tax dedication	427,179	-	427,179
Restricted for debt service	-	16,153	16,153
Unrestricted	168,921	63,082	232,003
Total net position	<u>\$ 3,229,035</u>	<u>\$ 3,804,454</u>	<u>\$ 7,033,489</u>

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

TOWN OF PORT BARRE, LOUISIANA

Statement of Activities
For the Year Ended September 30, 2018

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 273,015	\$ 103,571	\$ -	\$ -	\$ (169,444)	\$ -	\$ (169,444)
Public safety:							
Police	872,724	443,785	65,618	-	(363,321)	-	(363,321)
Streets	368,939	-	-	20,250	(348,689)	-	(348,689)
Culture and recreation	204,686	35,605	-	-	(169,081)	-	(169,081)
Total governmental activities	<u>1,719,364</u>	<u>582,961</u>	<u>65,618</u>	<u>20,250</u>	<u>(1,050,535)</u>	<u>-</u>	<u>(1,050,535)</u>
Business-type activities:							
Gas	237,027	266,788	-	-	-	29,761	29,761
Water	585,709	578,872	-	-	-	(6,837)	(6,837)
Sewerage	393,542	298,347	-	-	-	(95,195)	(95,195)
Total business-type activities	<u>1,216,278</u>	<u>1,144,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,271)</u>	<u>(72,271)</u>
Total	<u>\$ 2,935,642</u>	<u>\$ 1,726,968</u>	<u>\$ 65,618</u>	<u>\$ 20,250</u>	<u>(1,050,535)</u>	<u>(72,271)</u>	<u>(1,122,806)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					87,013	-	87,013
Sales and use taxes, levied for general purposes					619,057	-	619,057
Franchise taxes					87,510	-	87,510
Grants and contributions not restricted to specific programs -							
State sources					60,222	-	60,222
Interest and investment earnings					746	382	1,128
Miscellaneous					123,160	-	123,160
Transfers					20,741	(20,741)	-
Total general revenues and transfers					<u>998,449</u>	<u>(20,359)</u>	<u>978,090</u>
Change in net position					(52,086)	(92,630)	(144,716)
Net position - October 1, 2017					<u>3,281,121</u>	<u>3,897,084</u>	<u>7,178,205</u>
Net position - September 30, 2018					<u>\$ 3,229,035</u>	<u>\$ 3,804,454</u>	<u>\$ 7,033,489</u>

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

FUND FINANCIAL STATEMENTS (FES)

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

1966 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to the construction, acquisition, extension, improvement and/or maintenance of drainage facilities, sewer, and sewerage disposal works, streets, sidewalks, waterworks, and garbage collection and disposal facilities of the Town of Port Barre, including the purchase of equipment therefore.

1996 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1.2% sales and use tax. These taxes are dedicated to the construction, maintenance and improvement of public streets of the Town of Port Barre.

Debt Service Fund

1996 Sales Tax Bonds Debt Service Fund

To accumulate monies for payment of \$900,000 Sales Tax Bonds, Series 1996. Debt service is financed from proceeds of the Town's 1.2% sales and use tax.

Enterprise Fund

Utility Fund -

To account for the provision of gas, water, and sewerage services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF PORT BARRE, LOUISIANA

Balance Sheet
 Governmental Funds
 September 30, 2018

	General	1966 Sales Tax Special Revenue	1996 Sales Tax Special Revenue	1996 Sales Tax Bonds Debt Service	Total
ASSETS					
Cash and interest-bearing deposits	\$ 295,432	\$ 65,945	\$ 359,858	\$ -	\$ 721,235
Receivables:					
Taxes, net	29,576	-	-	-	29,576
Due from other funds	-	40,249	-	-	40,249
Due from other governmental units	11,694	-	-	-	11,694
Total assets	<u>\$ 336,702</u>	<u>\$ 106,194</u>	<u>\$ 359,858</u>	<u>\$ -</u>	<u>\$ 802,754</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 42,168	\$ 20,704	\$ 4,044	\$ -	\$ 66,916
Due to other funds	125,613	-	14,125	-	139,738
Total liabilities	<u>167,781</u>	<u>20,704</u>	<u>18,169</u>	<u>-</u>	<u>206,654</u>
Fund balances:					
Restricted for sales tax dedications	-	85,490	341,689	-	427,179
Unassigned	168,921	-	-	-	168,921
Total fund balances	<u>168,921</u>	<u>85,490</u>	<u>341,689</u>	<u>-</u>	<u>596,100</u>
Total liabilities and fund balances	<u>\$ 336,702</u>	<u>\$ 106,194</u>	<u>\$ 359,858</u>	<u>\$ -</u>	<u>\$ 802,754</u>

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

TOWN OF PORT BARRE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2018

Total fund balances for governmental funds at September 30, 2018		\$ 596,100
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 86,425	
Buildings, net of \$1,297,322 accumulated depreciation	1,032,812	
Infrastructure, net of \$848,044 accumulated depreciation	1,355,795	
Equipment, net of \$574,921 accumulated depreciation	<u>157,903</u>	<u>2,632,935</u>
Total net position of governmental activities at September 30, 2018		<u>\$3,229,035</u>

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

TOWN OF PORT BARRE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended September 30, 2018

	General	1966 Sales Tax Special Revenue	1996 Sales Tax Special Revenue	1996 Sales Tax Bonds Debt Service	Total
Revenues:					
Taxes	\$ 172,590	\$ 278,576	\$ 340,481	\$ -	\$ 791,647
Licenses and permits	103,571	-	-	-	103,571
Intergovernmental	127,773	-	20,250	-	148,023
Fines and forfeits	443,785	-	-	-	443,785
Miscellaneous	159,496	-	15	-	159,511
Total revenues	<u>1,007,215</u>	<u>278,576</u>	<u>360,746</u>	<u>-</u>	<u>1,646,537</u>
Expenditures:					
Current -					
General government	202,477	14,411	14,947	-	231,835
Public safety:					
Police	826,489	-	-	-	826,489
Highways and streets	-	251,866	64,135	-	316,001
Culture and recreation	148,097	19,687	-	-	167,784
Capital outlay	74,363	8,388	-	-	82,751
Total expenditures	<u>1,251,426</u>	<u>294,352</u>	<u>79,082</u>	<u>-</u>	<u>1,624,860</u>
Excess (deficiency) of revenues over expenditures	<u>(244,211)</u>	<u>(15,776)</u>	<u>281,664</u>	<u>-</u>	<u>21,677</u>
Other financing sources (uses):					
Transfers in	155,741	150,000	6,398	-	312,139
Transfers out	-	(135,000)	(150,000)	(6,398)	(291,398)
Total other financing sources (uses)	<u>155,741</u>	<u>15,000</u>	<u>(143,602)</u>	<u>(6,398)</u>	<u>20,741</u>
Net changes in fund balances	(88,470)	(776)	138,062	(6,398)	42,418
Fund balances, beginning	<u>257,391</u>	<u>86,266</u>	<u>203,627</u>	<u>6,398</u>	<u>553,682</u>
Fund balances, ending	<u>\$ 168,921</u>	<u>\$ 85,490</u>	<u>\$ 341,689</u>	<u>\$ -</u>	<u>\$ 596,100</u>

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

TOWN OF PORT BARRE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2018

Total net changes in fund balances at September 30, 2018 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 42,418
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 82,751	
Depreciation expense for the year ended September 30, 2018	(174,370)	
Loss on disposal of capital assets	<u>(2,885)</u>	<u>(94,504)</u>
Total changes in net position at September 30, 2018 per Statement of Activities		<u>\$ (52,086)</u>

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

TOWN OF PORT BARRE, LOUISIANA

Statement of Net Position
 Proprietary Fund
 September 30, 2018

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash	\$ 25,245
Receivables:	
Accounts receivable, net	134,192
Other	40,042
Due from other funds	<u>99,489</u>
Total current assets	<u>298,968</u>
Noncurrent assets:	
Restricted assets:	
Cash	104,078
Interest -bearing deposits, at cost	136,777
Capital assets:	
Land and construction in progress	15,292
Other capital assets, net	<u>4,310,844</u>
Total noncurrent assets	<u>4,566,991</u>
Total assets	<u>4,865,959</u>
LIABILITIES	
Current liabilities:	
Accounts payable	195,092
Other liabilities	752
Retainage payable	40,042
Customers' deposits	170,005
Capital lease payable	55,422
Payable from restricted assets -	
Revenue bonds	53,000
Accrued interest	<u>1,697</u>
Total current liabilities	<u>516,010</u>
Noncurrent liabilities:	
Capital lease payable	321,495
Revenue bonds	<u>224,000</u>
Total noncurrent liabilities	<u>545,495</u>
Total liabilities	<u>1,061,505</u>
NET POSITION	
Net investment in capital assets	3,725,219
Restricted for debt service	16,153
Unrestricted	<u>63,082</u>
Total net position	<u>\$ 3,804,454</u>

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

TOWN OF PORT BARRE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary Fund
 For the Year Ended September 30, 2018

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 259,853
Water sales	560,822
Sewer service charges	290,335
Connection charges	4,149
Miscellaneous	<u>28,848</u>
Total operating revenues	<u>1,144,007</u>
Operating expenses:	
Gas department	235,869
Water department	573,123
Sewerage department	<u>380,543</u>
Total operating expenses	<u>1,189,535</u>
Operating loss	<u>(45,528)</u>
Nonoperating revenues (expenses):	
Interest income	382
Interest expense	(22,338)
Loss on sale/disposition of assets	(3,855)
Paying agent fees	<u>(550)</u>
Total nonoperating revenues (expenses)	<u>(26,361)</u>
Loss before transfers	<u>(71,889)</u>
Transfers:	
Transfers in	135,000
Transfers out	<u>(155,741)</u>
Total transfers	<u>(20,741)</u>
Change in net position	(92,630)
Net position, beginning	<u>3,897,084</u>
Net position, ending	<u>\$ 3,804,454</u>

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

TOWN OF PORT BARRE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended September 30, 2018

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$1,069,376
Payments to suppliers	(657,030)
Payments to employees	(235,304)
Other receipts	<u>28,848</u>
Net cash provided by operating activities	<u>205,890</u>
 Cash flows from noncapital financing activities:	
Net increase in meter deposits	8,980
Transfers from other funds	135,000
Transfers to other funds	<u>(155,741)</u>
Net cash used by noncapital financing activities	<u>(75,261)</u>
 Cash flows from capital and related financing activities:	
Proceeds from capital lease	63,500
Principal paid on revenue bond maturities	(51,000)
Principal paid on capital lease	(53,964)
Interest and fiscal charges paid on revenue bonds	(8,586)
Interest on capital lease	(14,614)
Acquisition of equipment	<u>(94,068)</u>
Net cash used by capital and related financing activities	<u>(158,732)</u>
 Cash flows from investing activities:	
Purchase of interest-bearing deposits	(27,889)
Maturities of interest-bearing deposits	27,765
Interest on investments	<u>382</u>
Net cash provided by investing activities	<u>258</u>
 Net decrease in cash and cash equivalents	(27,845)
 Cash and cash equivalents, beginning of period	<u>266,056</u>
 Cash and cash equivalents, end of period	<u>\$ 238,211</u>

(continued)

TOWN OF PORT BARRE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund - (Continued)
 For the Year Ended September 30, 2018

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (45,528)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	182,485
Changes in current assets and liabilities:	
Accounts receivable	(45,783)
Prepaid expenses	4,567
Accounts payable	110,910
Other liabilities	<u>(761)</u>
Net cash provided by operating activities	<u>\$ 205,890</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 61,584
Cash - restricted	95,842
Interest-bearing deposits - restricted	136,395
Less: Interest-bearing deposits with a maturity over three months	<u>(27,765)</u>
Total cash and cash equivalents	<u>266,056</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	25,245
Cash - restricted	104,078
Interest-bearing deposits - restricted	136,777
Less: Interest-bearing deposits with a maturity over three months	<u>(27,889)</u>
Total cash and cash equivalents	<u>238,211</u>
Net decrease	<u>\$ (27,845)</u>

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

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Port Barre (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Town of Port Barre was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

This report includes all funds that are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

There are no component units over which the Town exercises significant influence.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) 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.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type: and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All funds of the Town are considered to be major funds and are described below:

Governmental Funds -

General Fund

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

Special Revenue Funds

1966 Sales Tax Fund -

The 1966 Sales Tax Fund is used to account for the receipt and use of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

1996 Sales Tax Fund --

The 1996 Sales Tax Fund is used to account for the proceeds of a 1.2 percent sales and use tax that is legally restricted to expenditures for specific purposes.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Debt Service Fund

1996 Sales Tax Bonds Debt Service Fund -

This fund is used to accumulate monies for payment of \$900,000 Sales Tax Bonds, Series 1996. Debt service is financed from the proceeds of a 1.2% sales and use tax.

Proprietary Fund -

Enterprise Fund

Enterprise funds are 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 that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town of Port Barre's enterprise fund is the Utility Fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statement of cash flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$51,413 at September 30, 2018. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to October 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5-15 years
Utility system and improvements	4-50 years
Infrastructure	20-40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources and deferred inflows of resources as of September 30, 2018.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as a liability in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is accumulated by employees at a rate dependent upon number of years of employment. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. Therefore, no liability has been recorded in the accounts as of September 30, 2018.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Town's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the two previous components and is available for general use by the Town.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town's Mayor and Board of Aldermen, which is the highest level of decision-making authority for the Town.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the Town's Mayor and Board of Aldermen.
- e. Unassigned – all other spendable amounts.

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

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

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:

Proprietary Fund - By Operating and Nonoperating

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

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales Tax	See Note 3
Water and Sewer Revenue	Debt Service and Utility Operations

The Town uses unrestricted resources only when restricted resources are fully depleted.

G. Capitalization of Interest Expense

It is the policy of the Town to capitalize material amount of interest resulting from borrowings in the course of the construction of capital assets. For the year ending September 30, 2018, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books. Total interest incurred and expensed for the year ending September 30, 2018 for the proprietary fund and business-type activities was \$22,888.

There was no interest incurred and expensed for the year ended September 30, 2018 for the governmental funds or the governmental activities.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

H. Debt Issue Costs

Debt issue costs are expensed as incurred.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Landry Parish. Town property tax revenues are budgeted in the year billed.

For the year ended September 30, 2018, taxes of 5.15 mills were levied on property with assessed valuations totaling \$15,728,380 and were dedicated for general corporate purposes.

Total taxes levied were \$81,002. Taxes receivable (including interest and penalties receivable) at September 30, 2018 consisted of the following:

Total receivable	\$ 3,615
Allowance for uncollectibles	(392)
Net receivable	<u>\$ 3,223</u>

(3) Dedication and Restriction of Proceeds and Flow of Funds - Sales and Use Taxes

The Town levies two sales taxes as follows:

- A. Proceeds of a 1966 1% sales and use tax levied in perpetuity by the Town of Port Barre (2018 collections \$278,576) is dedicated for constructing, acquiring, extending, improving and/or maintaining drainage facilities, sewers and sewerage disposal works, streets, sidewalks, waterworks, and garbage collection and disposal facilities of the Town, including the purchase of equipment therefore.

Under the terms of the bond resolution, the proceeds of the special 1% sales and use tax are deposited with the Town's fiscal agent bank in a sales tax fund. After the payment of all reasonable and necessary costs and expenses of collecting the tax, \$1,000 is retained in the sales tax fund for operating expenses.

Any monies remaining in the sales tax fund on the 20th day of each month in excess of the \$1,000 are to be retained for operating capital shall be considered as surplus. The Town may use such surplus for any of the purposes for which the imposition of the tax is authorized.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Proceeds of a 1996 1.2% sales and use tax levied in perpetuity by the Town of Port Barre (2018 collections \$340,481) is dedicated for constructing, maintaining and improving public streets.

Under the terms of the bond resolution, each month, there will be set aside into an account called the "Sales Tax Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

(4) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2018, the Town had cash and interest-bearing deposits (book balances) totaling \$987,335 as follows:

Non interest-bearing	\$ 625,413
Interest-bearing	114,185
Time deposits	<u>247,737</u>
Total	<u>\$ 987,335</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at September 30, 2018 were secured as follows:

Bank balances	<u>\$ 1,042,179</u>
Federal deposit insurance	528,015
Pledged securities	<u>498,550</u>
Total federal deposit insurance and pledged securities	<u>1,026,565</u>
Deficiency of federal deposit insurance and pledged securities over bank balances	<u>\$ (15,614)</u>

Deposits in the amount of \$514,164 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand. The Town does not have a policy for custodial credit risk.

TOWN OF PORT BARRE, LOUISIANA
Notes to Basic Financial Statements (Continued)

(5) Receivables

Receivables at September 30, 2018 consist of the following:

	General	Utility	Total
Accounts	\$ -	\$ 134,192	\$ 134,192
Other	-	40,042	40,042
Taxes:			
Franchise taxes	26,353	-	26,353
Ad valorem taxes	3,223	-	3,223
Totals	\$ 29,576	\$ 174,234	\$ 203,810

(6) Due from Other Governmental Units

Due from other governmental units at September 30, 2018 consist of the following:

Governmental Activities -

General Fund:

Amount due from the State of Louisiana for beer taxes revenues earned during the fiscal year ending September 30, 2018	\$ 1,571
Amount due from the State of Louisiana for video poker revenues earned during the fiscal year ending September 30, 2018	2,299
Amount due from the St. Landry Parish Government for casino revenues earned during the fiscal year ending September 30, 2018	5,891
Amount due from the St. Landry Housing Authority for payments in lieu of taxes earned during the fiscal year ending September 30, 2018	1,933
Total General Fund	\$ 11,694

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at September 30, 2018:

Revenue bond and interest sinking account	\$ 14,970
Revenue bond contingency account	55,880
Customers' deposits	170,005
Total restricted assets	\$ 240,855

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended September 30, 2018 was as follows:

	Balance 09/30/17	Additions	Deletions	Balance 09/30/18
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 86,425	\$ -	\$ -	\$ 86,425
Other capital assets:				
Buildings	2,330,134	-	-	2,330,134
Infrastructure	2,203,839	-	-	2,203,839
Equipment	<u>735,862</u>	<u>82,751</u>	<u>85,789</u>	<u>732,824</u>
Totals	<u>5,356,260</u>	<u>82,751</u>	<u>85,789</u>	<u>5,353,222</u>
Less accumulated depreciation:				
Buildings	1,232,622	64,700	-	1,297,322
Infrastructure	797,282	50,762	-	848,044
Equipment	<u>598,917</u>	<u>58,908</u>	<u>82,904</u>	<u>574,921</u>
Total accumulated depreciation	<u>2,628,821</u>	<u>174,370</u>	<u>82,904</u>	<u>2,720,287</u>
Governmental activities, capital assets, net	<u>\$ 2,727,439</u>	<u>\$ (91,619)</u>	<u>\$ 2,885</u>	<u>\$ 2,632,935</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 15,292	\$ -	\$ -	\$ 15,292
Construction in progress	400,418	-	400,418	-
Other capital assets:				
Gas system	798,173	-	197,351	600,822
Water system	2,223,010	493,112	145,636	2,570,486
Sewer system	4,854,989	-	380,655	4,474,334
Machinery and equipment	<u>130,667</u>	<u>1,375</u>	<u>45,469</u>	<u>86,573</u>
Totals	<u>8,422,549</u>	<u>494,487</u>	<u>1,169,529</u>	<u>7,747,507</u>
Less accumulated depreciation:				
Gas system	627,992	10,157	196,192	441,957
Water system	910,233	70,020	144,494	835,759
Sewer system	2,359,374	96,433	379,100	2,076,707
Machinery and equipment	<u>106,542</u>	<u>5,875</u>	<u>45,469</u>	<u>66,948</u>
Total accumulated depreciation	<u>4,004,141</u>	<u>182,485</u>	<u>765,255</u>	<u>3,421,371</u>
Business-type activities, capital assets, net	<u>\$ 4,418,408</u>	<u>\$ 312,002</u>	<u>\$ 404,274</u>	<u>\$ 4,326,136</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 41,180
Police	43,350
Streets	52,938
Culture and recreation	<u>36,902</u>
Total depreciation expense	<u>\$ 174,370</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 11,988
Water	70,020
Sewer	<u>100,477</u>
Total depreciation expense	<u>\$ 182,485</u>

(9) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2018:

	Business-type Activities	
	Revenue Bonds	Lease Payable
Long-term debt payable, September 30, 2017	\$ 328,000	\$ 367,381
Long-term debt issued	-	63,500
Long-term debt retired	<u>(51,000)</u>	<u>(53,964)</u>
Long-term debt payable, September 30, 2018	<u>\$ 277,000</u>	<u>\$ 376,917</u>

Long-term debt payable at September 30, 2018 is comprised of the following issues:

	Current Portion
Revenue bonds:	
\$508,000 Utilities Revenue Refunding Bonds dated September 25, 2013, due in annual installments ranging from \$34,000 to \$55,000 July 1, 2023; interest rate at 2.45 percent, secured by utility system revenues.	<u>\$ 277,000</u> <u>\$ 53,000</u>
Capital lease payable:	
Equipment lease payable to Government Capital Corporation dated October 3, 2016, due in 10 annual installments of \$68,579, including interest at 2.7%, through September 30, 2026, payable from utility system revenues. Equipment held under the capital lease had a book value at September 30, 2018 of \$393,744 (cost of \$400,418 less accumulated amortization of \$6,674). Amortization in the amount of \$6,674 is included in depreciation expense for the year ended September 30, 2018.	<u>\$ 376,917</u> <u>\$ 55,422</u>

(continued)

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Changes in Long-Term Debt (Continued)

The long-term debt is due as follows:

<u>Year Ending September 30,</u>	<u>Business-type Activities</u>	
	<u>Principal payments</u>	<u>Interest payments</u>
2019	\$ 108,422	\$ 19,944
2020	111,886	17,181
2021	114,454	14,266
2022	118,032	11,316
2023	116,653	8,273
2024 - 2026	<u>84,470</u>	<u>5,848</u>
Total	<u>\$ 653,917</u>	<u>\$ 76,828</u>

The Town has \$110,404 of lease proceeds available to be drawn down at September 30, 2018.

(10) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the bond indenture on outstanding Utilities Revenue Refunding Bonds dated September 25, 2013, all income and revenues of every nature, earned or derived from operation of the waterworks and sewer systems, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the "Utilities Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

Each month, there shall be deposited into a "Utilities Depreciation and Contingency Fund", an amount equal to at least 5% of the amount to be paid into the Sinking Fund. Money in this fund may be used for extensions, additions, improvements, renewals and replacements necessary to properly operate the system. Money in this fund may also be used to pay principal or interest on the bonds, including any additional parity bonds, for the payment of which there is not sufficient money in the other bond funds.

The Town is not required to maintain a bond reserve fund under this bond issuance.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

The Town of Port Barre was in compliance with all significant limitations and restrictions in the bond indenture at September 30, 2018.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Employee Retirement

All Town of Port Barre employees participate in the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System. The Town's contribution during the years ended September 30, 2018, 2017, and 2016 amounted to \$79,698, \$76,728, and \$80,484, respectively.

(12) Risk Management

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(13) Natural Gas Contract

The Town entered into a gas purchase contract with Cypress Gas Pipeline Company with an initial term of January 1, 1992 to January 1, 1996 with provisions to continue beyond January 1, 1996 on a year-to-year basis until either party request termination of the contract. The terms of the contract require the Town to purchase all of its natural gas requirements from Cypress Gas Pipeline Company. During the year ended September 30, 2018, the Town purchased natural gas from Cypress Gas Pipeline Company in the amount of \$70,801. At September 30, 2018, the Town owed \$12,233 for natural gas purchases for the months of July, August, and September 30, 2018.

(14) Departmental Information for the Enterprise Fund

The Town of Port Barre maintains one enterprise fund with three departments that provide gas, water, and sewerage services. Segment information for the year ended September 30, 2018, was as follows:

	Gas Department	Water Department	Sewerage Department	Total Enterprise Fund
Operating revenues	<u>\$266,788</u>	<u>\$578,872</u>	<u>\$298,347</u>	<u>\$1,144,007</u>
Operating expenses:				
Depreciation	11,988	70,020	100,477	182,485
Other	<u>223,881</u>	<u>503,103</u>	<u>280,066</u>	<u>1,007,050</u>
Total operating expenses	<u>235,869</u>	<u>573,123</u>	<u>380,543</u>	<u>1,189,535</u>
Operating income (loss)	<u>\$ 30,919</u>	<u>\$ 5,749</u>	<u>\$ (82,196)</u>	<u>\$ (45,528)</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(15) Compensation, Benefits, and Other Payments to Mayor

A detail of compensation, benefits, and other payments paid to Mayor Gil Savoy, Jr. for the year ended September 30, 2018 follows:

Purpose	Amount
Salary	\$ 24,000
Car allowance	12,000
Registration fees	385
Conference travel	432
	\$ 36,817

(16) Compensation of Town Officials

A detail of compensation paid to the Board of Aldermen for the year ended September 30, 2018 follows:

Aldermen:

John Ardoin	\$ 5,000
Nelson Barron	5,000
Polly Pickney	5,000
Donald Robin	5,000
Dr. Paula Sharkey	-
	\$ 20,000

Dr. Paula Sharkey has elected to donate the compensation for her services to the Town to be utilized for expenditures relative to culture and recreation.

(17) Pending Litigation

At September 30, 2018, the Town of Port Barre is not a defendant in any litigation.

(18) On-Behalf Payments of Salaries

During the year ended September 30, 2018, the State of Louisiana paid the Town's policemen \$65,618 of supplemental pay, which is included in the accompanying financial statements as intergovernmental revenues and public safety – police expenses/expenditures in the government-wide and General Fund financial statements.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(19) Interfund Transactions

A. Interfund receivables and payables consisted of the following at September 30, 2018 :

	<u>Due From</u>	<u>Due To</u>
Governmental Funds:		
General Fund	\$ -	\$ 125,613
1966 Sales Tax Special Revenue Fund	40,249	-
1996 Sales Tax Special Revenue Fund	-	14,125
Proprietary Fund:		
Enterprise Fund	<u>99,489</u>	<u>-</u>
Total	<u>\$ 139,738</u>	<u>\$ 139,738</u>

These balances resulted from short-term loans made to other funds. All interfund balances will be repaid within one year.

B. Transfers consisted of the following at September 30, 2018 :

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 155,741	\$ -
1966 Sales Tax Special Revenue Fund	150,000	135,000
1996 Sales Tax Special Revenue Fund	6,398	150,000
1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund		6,398
Proprietary Fund:		
Enterprise Fund	<u>135,000</u>	<u>155,741</u>
Total	<u>\$ 447,139</u>	<u>\$ 447,139</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 150,000	\$ 169,259	\$ 172,590	\$ 3,331
Licenses and permits	96,600	100,295	103,571	3,276
Intergovernmental	119,670	110,586	127,773	17,187
Fines and forfeits	445,000	430,774	443,785	13,011
Miscellaneous	<u>188,500</u>	<u>162,070</u>	<u>159,496</u>	<u>(2,574)</u>
Total revenues	<u>999,770</u>	<u>972,984</u>	<u>1,007,215</u>	<u>34,231</u>
Expenditures:				
Current -				
General government	171,984	194,701	202,477	(7,776)
Public safety - police	756,820	807,734	826,489	(18,755)
Culture and recreation	162,463	146,636	148,097	(1,461)
Capital outlay	<u>-</u>	<u>75,155</u>	<u>74,363</u>	<u>792</u>
Total expenditures	<u>1,091,267</u>	<u>1,224,226</u>	<u>1,251,426</u>	<u>(27,200)</u>
Deficiency of revenues over expenditures	(91,497)	(251,242)	(244,211)	7,031
Other financing sources:				
Transfers in	<u>60,000</u>	<u>150,000</u>	<u>155,741</u>	<u>5,741</u>
Net change in fund balance	(31,497)	(101,242)	(88,470)	12,772
Fund balance, beginning	<u>257,391</u>	<u>257,391</u>	<u>257,391</u>	<u>-</u>
Fund balance, ending	<u>\$ 225,894</u>	<u>\$ 156,149</u>	<u>\$ 168,921</u>	<u>\$ 12,772</u>

TOWN OF PORT BARRE, LOUISIANA
1966 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2018

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	<u>\$295,000</u>	<u>\$ 284,934</u>	<u>\$ 278,576</u>	<u>\$ (6,358)</u>
Expenditures:				
Current -				
General government:				
Professional fees	10,085	11,855	11,910	(55)
Miscellaneous	<u>3,000</u>	<u>2,557</u>	<u>2,501</u>	<u>56</u>
Total general government	<u>13,085</u>	<u>14,412</u>	<u>14,411</u>	<u>1</u>
Highways and streets:				
Salaries	149,260	132,660	132,445	215
Maintenance and materials	32,650	51,256	51,965	(709)
Street materials and supplies	20,100	15,387	15,105	282
Group insurance	35,980	39,610	40,059	(449)
Payroll taxes	10,470	9,933	9,866	67
Miscellaneous	<u>7,500</u>	<u>3,042</u>	<u>2,426</u>	<u>616</u>
Total highways and streets	<u>255,960</u>	<u>251,888</u>	<u>251,866</u>	<u>22</u>
Culture and recreation	<u>14,000</u>	<u>19,697</u>	<u>19,687</u>	<u>10</u>
Capital outlay -				
Street equipment	<u>-</u>	<u>8,388</u>	<u>8,388</u>	<u>-</u>
Total expenditures	<u>283,045</u>	<u>294,385</u>	<u>294,352</u>	<u>33</u>
Excess (deficiency) of revenues over expenditures	<u>11,955</u>	<u>(9,451)</u>	<u>(15,776)</u>	<u>(6,325)</u>
Other financing sources (uses):				
Transfers from 1996 Sales Tax Fund	150,000	150,000	150,000	-
Transfers to Utility Fund	<u>(100,000)</u>	<u>(135,000)</u>	<u>(135,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>50,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	61,955	5,549	(776)	(6,325)
Fund balance, beginning	<u>86,266</u>	<u>86,266</u>	<u>86,266</u>	<u>-</u>
Fund balance, ending	<u>\$148,221</u>	<u>\$ 91,815</u>	<u>\$ 85,490</u>	<u>\$ (6,325)</u>

TOWN OF PORT BARRE, LOUISIANA
1996 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2018

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 340,000	\$ 348,823	\$ 340,481	\$ (8,342)
Donation - St. Landry Disposal	-	20,250	20,250	-
Interest	20	14	15	1
Total revenues	340,020	369,087	360,746	(8,341)
Expenditures:				
Current -				
General government:				
Professional fees	10,085	11,845	11,890	(45)
Miscellaneous	3,700	3,125	3,057	68
Total general government	13,785	14,970	14,947	23
Highways and streets:				
Electricity for lights	35,000	33,936	33,885	51
Maintenance and materials	-	30,250	30,250	-
Total highways and streets	35,000	64,186	64,135	51
Total expenditures	48,785	79,156	79,082	74
Excess of revenues over expenditures	291,235	289,931	281,664	(8,267)
Other financing sources (uses):				
Transfers to 1966 Sales Tax Fund	(150,000)	(150,000)	(150,000)	-
Transfer from 1996 Bond Fund	-	6,398	6,398	-
Total financing sources (uses)	(150,000)	(143,602)	(143,602)	-
Net change in fund balance	141,235	146,329	138,062	(8,267)
Fund balance, beginning	203,627	203,627	203,627	-
Fund balance, ending	\$ 344,862	\$ 349,956	\$ 341,689	\$ (8,267)

TOWN OF PORT BARRE, LOUISIANA

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 15, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of 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 Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

(2) Excess of Expenditures Over Appropriations

For the year ended September 30, 2018, the following funds had actual expenditures over appropriations, at the functional level, as follows:

<u>Fund and Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Governmental Funds:			
General Fund:			
General government	\$ 194,701	\$202,477	\$ (7,776)
Public safety - police	807,734	826,489	(18,755)
Culture and recreation	146,636	148,097	(1,461)

OTHER SUPPLEMENTARY INFORMATION

TOWN OF PORT BARRE, LOUISIANA

Statement of Net Position
September 30, 2018
With Comparative Totals for September 30, 2017

	2018			2017 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 721,235	\$ 25,245	\$ 746,480	\$ 645,838
Receivables, net	29,576	174,234	203,810	157,397
Internal balances	(99,489)	99,489	-	-
Due from other governmental units	11,694	-	11,694	27,044
Prepaid items	-	-	-	4,567
Total current assets	<u>663,016</u>	<u>298,968</u>	<u>961,984</u>	<u>834,846</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	240,855	240,855	232,237
Capital assets:				
Land and construction in progress	86,425	15,292	101,717	502,135
Other capital assets, net	<u>2,546,510</u>	<u>4,310,844</u>	<u>6,857,354</u>	<u>6,643,712</u>
Total noncurrent assets	<u>2,632,935</u>	<u>4,566,991</u>	<u>7,199,926</u>	<u>7,378,084</u>
Total assets	<u>3,295,951</u>	<u>4,865,959</u>	<u>8,161,910</u>	<u>8,212,930</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	66,916	195,844	262,760	136,268
Retainage payable	-	40,042	40,042	40,042
Customers' deposits	-	170,005	170,005	161,025
Capital lease payable	-	55,422	55,422	53,964
Bonds payable	-	53,000	53,000	51,000
Accrued interest	-	1,697	1,697	2,009
Total current liabilities	<u>66,916</u>	<u>516,010</u>	<u>582,926</u>	<u>444,308</u>
Noncurrent liabilities:				
Capital lease payable	-	321,495	321,495	313,417
Bonds payable	-	224,000	224,000	277,000
Total noncurrent liabilities	<u>-</u>	<u>545,495</u>	<u>545,495</u>	<u>590,417</u>
Total liabilities	<u>66,916</u>	<u>1,061,505</u>	<u>1,128,421</u>	<u>1,034,725</u>
NET POSITION				
Net investment in capital assets	2,632,935	3,725,219	6,358,154	6,501,466
Restricted for sales tax dedication	427,179	-	427,179	289,893
Restricted for debt service	-	16,153	16,153	24,601
Unrestricted	<u>168,921</u>	<u>63,082</u>	<u>232,003</u>	<u>362,245</u>
Total net position	<u>\$ 3,229,035</u>	<u>\$ 3,804,454</u>	<u>\$ 7,033,489</u>	<u>\$ 7,178,205</u>

TOWN OF PORT BARRE, LOUISIANA

Comparative Balance Sheet
 General and Special Revenue Funds
 September 30, 2018 and 2017

	General		1966 Sales Tax Special Revenue		1996 Sales Tax Special Revenue	
	2018	2017	2018	2017	2018	2017
ASSETS						
Cash and interest-bearing deposits	\$ 295,432	\$ 310,847	\$ 65,945	\$ 63,072	\$ 359,858	\$ 203,937
Receivables:						
Taxes, net	29,576	28,946	-	-	-	-
Due from other funds	-	-	40,249	35,854	-	-
Due from other governmental units	11,694	7,044	-	-	-	20,000
Total assets	<u>\$ 336,702</u>	<u>\$ 346,837</u>	<u>\$ 106,194</u>	<u>\$ 98,926</u>	<u>\$ 359,858</u>	<u>\$ 223,937</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 42,168	\$ 27,333	\$ 20,704	\$ 12,660	\$ 4,044	\$ 10,580
Due to other funds	125,613	62,113	-	-	14,125	9,730
Total liabilities	<u>167,781</u>	<u>89,446</u>	<u>20,704</u>	<u>12,660</u>	<u>18,169</u>	<u>20,310</u>
Fund balances:						
Restricted for sales tax dedications	-	-	85,490	86,266	341,689	203,627
Unassigned	168,921	257,391	-	-	-	-
Total fund balances	<u>168,921</u>	<u>257,391</u>	<u>85,490</u>	<u>86,266</u>	<u>341,689</u>	<u>203,627</u>
Total liabilities and fund balances	<u>\$ 336,702</u>	<u>\$ 346,837</u>	<u>\$ 106,194</u>	<u>\$ 98,926</u>	<u>\$ 359,858</u>	<u>\$ 223,937</u>

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018			Variance with Final Budget Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 63,000	\$ 80,755	\$ 80,694	\$ (61)	\$ 62,642
Interest and penalties on taxes	1,500	2,114	4,386	2,272	6,571
Franchise -					
Electric and cable TV	85,500	86,390	87,510	1,120	83,806
Total taxes	<u>150,000</u>	<u>169,259</u>	<u>172,590</u>	<u>3,331</u>	<u>153,019</u>
Licenses and permits:					
Occupational licenses	96,600	100,295	100,421	126	96,820
Building permits	-	-	3,150	3,150	-
Total licenses and permits	<u>96,600</u>	<u>100,295</u>	<u>103,571</u>	<u>3,276</u>	<u>96,820</u>
Intergovernmental:					
State of Louisiana -					
Beer taxes	7,600	6,805	5,501	(1,304)	6,038
Video poker	13,600	13,413	13,546	133	11,570
Grass cutting	4,200	4,200	4,200	-	4,387
On-behalf payments	50,000	50,000	65,618	15,618	62,717
St. Landry Parish - casino revenue	41,600	33,605	36,975	3,370	37,841
St. Landry Parish Housing Authority	2,670	2,563	1,933	(630)	2,563
Total intergovernmental	<u>119,670</u>	<u>110,586</u>	<u>127,773</u>	<u>17,187</u>	<u>125,116</u>
Fines and forfeits	<u>445,000</u>	<u>430,774</u>	<u>443,785</u>	<u>13,011</u>	<u>464,764</u>
Miscellaneous:					
Rent	115,800	115,800	115,800	-	115,800
Parks	8,700	9,575	10,145	570	9,515
Library fees	4,000	3,301	3,367	66	3,644
Youth league	56,000	21,398	22,093	695	63,970
Sale of equipment	-	6,921	6,920	(1)	-
Insurance reimbursement	-	-	-	-	19,992
Interest	-	-	731	731	564
Other	4,000	5,075	440	(4,635)	7,735
Total miscellaneous	<u>188,500</u>	<u>162,070</u>	<u>159,496</u>	<u>(2,574)</u>	<u>221,220</u>
Total revenues	<u>\$ 999,770</u>	<u>\$ 972,984</u>	<u>\$ 1,007,215</u>	<u>\$ 34,231</u>	<u>\$ 1,060,939</u>

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018				
	Budget		Actual	Variance with Final Budget	2017 Actual
	Original	Final		Positive (Negative)	
Current:					
General government -					
Advertising	\$ 2,000	\$ 1,579	\$ 2,090	\$ (511)	\$ 341
Dues and subscriptions	3,500	5,499	4,767	732	3,708
Insurance	8,500	3,698	4,271	(573)	5,836
Legal fees	1,200	1,200	-	1,200	1,200
Mayor's allowance	12,000	12,000	12,000	-	12,000
Miscellaneous	1,200	1,334	1,710	(376)	9,384
Payroll taxes	5,700	5,726	5,804	(78)	5,564
Professional fees	41,800	31,514	43,368	(11,854)	33,670
Salaries	75,880	75,934	76,068	(134)	73,205
Travel and meetings	6,500	5,910	6,157	(247)	10,877
Preparation of tax roll	2,654	4,164	2,645	1,519	2,654
Repairs and maintenance	7,500	39,376	37,019	2,357	16,228
Coroner's fees	1,200	4,125	5,125	(1,000)	1,275
Electricity	2,350	2,642	1,453	1,189	2,900
Total general government	<u>171,984</u>	<u>194,701</u>	<u>202,477</u>	<u>(7,776)</u>	<u>178,842</u>
Public safety - police -					
Feeding prisoners	-	408	1,124	(716)	1,470
Drug enforcement	-	1,500	1,500	-	-
Insurance	32,300	14,262	16,470	(2,208)	49,902
Group insurance	71,700	79,163	79,332	(169)	78,188
Miscellaneous	1,300	3,493	3,029	464	1,240
Police car expenditures	24,900	29,963	27,601	2,362	22,097
Salaries	491,120	542,276	559,026	(16,750)	527,033
Payroll taxes	40,000	41,834	42,127	(293)	40,194
Supplies	16,200	21,037	24,154	(3,117)	17,620
Repairs and maintenance	32,000	34,076	35,176	(1,100)	42,927
Uniforms	8,300	3,057	2,003	1,054	8,542
Training academy	500	500	2,025	(1,525)	2,695
Travel and meetings	1,700	647	1,110	(463)	1,704
Telephone	12,500	13,307	13,887	(580)	11,918
Electricity	6,000	7,177	7,209	(32)	7,118
Medical and drug testing	2,500	1,839	1,759	80	5,164
Janitorial	5,200	2,051	2,013	38	3,666
Fine remittance fees	10,600	11,144	6,944	4,200	9,674
Total public safety	<u>756,820</u>	<u>807,734</u>	<u>826,489</u>	<u>(18,755)</u>	<u>831,152</u>

(continued)

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018			Variance with Final Budget Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
Culture and recreation -					
Community Center -					
Salaries	41,760	39,111	39,050	61	37,268
Payroll taxes	2,880	3,002	2,987	15	2,851
Electricity	3,620	3,826	5,784	(1,958)	3,975
Repairs and maintenance	1,800	6,540	2,660	3,880	2,102
Library -					
Salaries	26,800	28,310	28,430	(120)	26,498
Payroll taxes	2,070	2,166	2,175	(9)	2,027
Telephone and electricity	6,700	4,770	6,271	(1,501)	6,196
Repairs and maintenance	800	2,691	475	2,216	2,673
Supplies and equipment	100	425	425	-	8
Parks and recreation -					
Salaries	26,500	17,845	19,768	(1,923)	26,500
Payroll taxes	1,930	1,365	1,512	(147)	1,926
Telephone and electricity	2,400	2,275	2,091	184	6,954
Repairs and maintenance	400	2,792	4,767	(1,975)	-
Contract labor	13,400	11,153	10,705	448	14,574
Youth league supplies	-	-	10,063	(10,063)	22,950
Miscellaneous	31,303	20,365	10,934	9,431	18,078
Total culture and recreation	<u>162,463</u>	<u>146,636</u>	<u>148,097</u>	<u>(1,461)</u>	<u>174,580</u>
Capital outlay:					
General government -					
Equipment	-	3,655	3,564	91	8,695
Public safety -					
Automobiles	-	63,500	63,500	-	-
Culture and recreation -					
Library building	-	8,000	7,299	701	7,299
Total capital outlay	<u>-</u>	<u>75,155</u>	<u>74,363</u>	<u>792</u>	<u>15,994</u>
Total expenditures	<u>\$1,091,267</u>	<u>\$1,224,226</u>	<u>\$1,251,426</u>	<u>\$ (27,200)</u>	<u>\$1,200,568</u>

TOWN OF PORT BARRE, LOUISIANA
1966 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018			Variance with Final Budget Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 295,000	\$ 284,934	\$ 278,576	\$ (6,358)	\$ 284,733
Expenditures:					
Current -					
General government:					
Professional fees	10,085	11,855	11,910	(55)	10,285
Collection fees	3,000	2,557	2,501	56	2,829
Total general government	<u>13,085</u>	<u>14,412</u>	<u>14,411</u>	<u>1</u>	<u>13,114</u>
Highways and streets:					
Salaries	149,260	132,660	132,445	215	140,177
Maintenance and materials	32,650	51,256	51,965	(709)	40,998
Street materials and supplies	20,100	15,387	15,105	282	10,099
Group insurance	35,980	39,610	40,059	(449)	38,902
Payroll taxes	10,470	9,933	9,866	67	10,602
Miscellaneous	7,500	3,042	2,426	616	8,222
Total highways and streets	<u>255,960</u>	<u>251,888</u>	<u>251,866</u>	<u>22</u>	<u>249,000</u>
Culture and recreation	<u>14,000</u>	<u>19,697</u>	<u>19,687</u>	<u>10</u>	<u>15,520</u>
Capital outlay -					
Street equipment	-	8,388	8,388	-	3,500
Total expenditures	<u>283,045</u>	<u>294,385</u>	<u>294,352</u>	<u>33</u>	<u>281,134</u>
Excess (deficiency) of revenues over expenditures	<u>11,955</u>	<u>(9,451)</u>	<u>(15,776)</u>	<u>(6,325)</u>	<u>3,599</u>
Other financing sources (uses):					
Transfers from 1996 Sales Tax Fund	150,000	150,000	150,000	-	150,000
Transfers to Utility Fund	<u>(100,000)</u>	<u>(135,000)</u>	<u>(135,000)</u>	<u>-</u>	<u>(130,000)</u>
Total other financing sources (uses)	<u>50,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>20,000</u>
Net change in fund balance	61,955	5,549	(776)	(6,325)	23,599
Fund balance, beginning	<u>86,266</u>	<u>86,266</u>	<u>86,266</u>	<u>-</u>	<u>62,667</u>
Fund balance, ending	<u>\$ 148,221</u>	<u>\$ 91,815</u>	<u>\$ 85,490</u>	<u>\$ (6,325)</u>	<u>\$ 86,266</u>

TOWN OF PORT BARRE, LOUISIANA
1996 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018			Variance with Final Budget Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$340,000	\$ 348,823	\$340,481	\$ (8,342)	\$348,007
Donation - St. Landry Disposal	-	20,250	20,250	-	31,955
Interest	20	14	15	1	20
Total revenues	<u>340,020</u>	<u>369,087</u>	<u>360,746</u>	<u>(8,341)</u>	<u>379,982</u>
Expenditures:					
Current -					
General government:					
Professional fees	10,085	11,845	11,890	(45)	10,395
Collection fees	3,700	3,125	3,057	68	3,457
Total general government	<u>13,785</u>	<u>14,970</u>	<u>14,947</u>	<u>23</u>	<u>13,852</u>
Highways and streets:					
Electricity for lights	35,000	33,936	33,885	51	34,706
Maintenance and materials	-	30,250	30,250	-	38,255
Total highways and streets	<u>35,000</u>	<u>64,186</u>	<u>64,135</u>	<u>51</u>	<u>72,961</u>
Total expenditures	<u>48,785</u>	<u>79,156</u>	<u>79,082</u>	<u>74</u>	<u>86,813</u>
Excess of revenues over expenditures	<u>291,235</u>	<u>289,931</u>	<u>281,664</u>	<u>(8,267)</u>	<u>293,169</u>
Other financing sources (uses):					
Transfers to 1966 Sales Tax Fund	(150,000)	(150,000)	(150,000)	-	(150,000)
Transfers from (to) 1996 Bond Fund	-	6,398	6,398	-	(23,954)
Total other financing sources (uses)	<u>(150,000)</u>	<u>(143,602)</u>	<u>(143,602)</u>	<u>-</u>	<u>(173,954)</u>
Net change in fund balance	141,235	146,329	138,062	(8,267)	119,215
Fund balance, beginning	<u>203,627</u>	<u>203,627</u>	<u>203,627</u>	<u>-</u>	<u>84,412</u>
Fund balance, ending	<u>\$344,862</u>	<u>\$ 349,956</u>	<u>\$341,689</u>	<u>\$ (8,267)</u>	<u>\$203,627</u>

TOWN OF PORT BARRE, LOUISIANA
1996 Sales Tax Bonds Debt Service Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance with Final Budget Positive (Negative)	2017 Actual
	Budget	Actual		
Revenues:				
Miscellaneous -				
Interest on deposits	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service -				
Principal retirement	-	-	-	56,000
Interest	-	-	-	1,490
Paying agents' fees	-	-	-	800
Total debt service	-	-	-	58,290
Deficiency of revenues over expenditures	-	-	-	(58,290)
Other financing sources (uses):				
Transfers from (to) 1996 Sales Tax Fund	(6,398)	(6,398)	-	23,954
Net change in fund balance	(6,398)	(6,398)	-	(34,336)
Fund balance, beginning	6,398	6,398	-	40,734
Fund balance, ending	\$ -	\$ -	\$ -	\$ 6,398

TOWN OF PORT BARRE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
September 30, 2018 and 2017

Records maintained by the Town indicated the following number of customers were being served during the month of September, 2018 and 2017:

<u>Department</u>	<u>2018</u>	<u>2017</u>
Gas (metered)	437	443
Water (metered)	1,310	1,315
Sewerage	948	951

TOWN OF PORT BARRE, LOUISIANA

Schedule of Insurance in Force

(Unaudited)

September 30, 2018

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation -	
Employer's liability	
Each occurrence	\$ 1,000,000
Aggregate	1,000,000
Surety Bonds -	
Mayor	36,000
Town clerk	36,000
Assistant town clerk	36,000
Assistant town clerk	36,000
Assistant town clerk	36,000
Water district agent	36,000
Parks director	36,000
Elderly Assistance Coordinator	36,000
Blanket bond	5,000
General liability -	
Each occurrence	500,000
Aggregate	500,000
Business automobile liability -	
Each occurrence	500,000
Aggregate	500,000
Property coverage -	
Fire and light, extended coverage, vandalism and malicious mischief	2,331,870
Equipment breakdown coverage	506,314
Public official errors and omissions	
Each wrongful act	500,000
Aggregate	1,000,000
Police professional liability -	
Each occurrence	500,000
Aggregate	500,000
Commercial automobile coverage	222,500
Aggregate	1,500,000

TOWN OF PORT BARRE, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds
September 30, 2018

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
General Fund:				
Certificate of deposit	(A)	12/19/18	0.25%	\$ 45,624
Certificate of deposit	(A)	03/09/19	0.45%	<u>174,098</u>
Total General Fund				<u>219,722</u>
Special Revenue Funds:				
1996 Sales Tax Fund:				
Road Repair checking account	(A)	N/A	Variable	<u>5,423</u>
Utility Fund:				
Restricted assets -				
Certificate of deposit	(S)	01/16/19	0.45%	28,015
Savings accounts	(A)	N/A	Variable	<u>108,762</u>
Total Utility Fund				<u>136,777</u>
Total - all funds				<u>\$ 361,922</u>

Investments with:

(A) American Bank and Trust, Opelousas, Louisiana

(S) St. Landry Homestead, Opelousas, Louisiana

TOWN OF PORT BARRE, LOUISIANA

Comparative Statement of Net Position
 Enterprise Fund
 Utility Fund
 September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets:		
Cash	\$ 25,245	\$ 61,584
Receivables:		
Accounts receivable, net	134,192	88,409
Other	40,042	40,042
Due from other funds	99,489	35,989
Prepaid items	-	4,567
Total current assets	<u>298,968</u>	<u>230,591</u>
Noncurrent assets:		
Restricted assets:		
Cash	104,078	95,842
Interest -bearing deposits, at cost	136,777	136,395
Capital assets:		
Land and construction in progress	15,292	415,710
Other capital assets, net	<u>4,310,844</u>	<u>4,002,698</u>
Total noncurrent assets	<u>4,566,991</u>	<u>4,650,645</u>
Total assets	<u>4,865,959</u>	<u>4,881,236</u>
LIABILITIES		
Current liabilities:		
Accounts payable	195,092	84,182
Other liabilities	752	1,513
Retainage payable	40,042	40,042
Customers' deposits	170,005	161,025
Capital lease payable	55,422	53,964
Payable from restricted assets -		
Revenue bonds	53,000	51,000
Accrued interest	<u>1,697</u>	<u>2,009</u>
Total current liabilities	<u>516,010</u>	<u>393,735</u>
Noncurrent liabilities:		
Capital lease payable	321,495	313,417
Revenue bonds	<u>224,000</u>	<u>277,000</u>
Total noncurrent liabilities	<u>545,495</u>	<u>590,417</u>
Total liabilities	<u>1,061,505</u>	<u>984,152</u>
NET POSITION		
Net investment in capital assets	3,725,219	3,774,027
Restricted for debt service	16,153	18,203
Unrestricted	<u>63,082</u>	<u>104,854</u>
Total net position	<u>\$3,804,454</u>	<u>\$3,897,084</u>

Water		Sewerage		General and Administrative	
2018	2017	2018	2017	2018	2017
\$ 560,822	\$ 511,284	\$ 290,335	\$ 267,329	\$ -	\$ -
3,049	5,923	800	600	-	-
15,001	18,936	7,212	11,355	-	-
<u>578,872</u>	<u>536,143</u>	<u>298,347</u>	<u>279,284</u>	-	-
-	-	-	-	14,580	12,355
4,250	(3,770)	1,400	-	-	-
70,020	62,952	100,477	101,065	-	-
41,671	33,978	37,896	35,122	2,951	2,420
-	-	-	-	-	-
46,551	45,668	35,266	34,598	29,623	29,062
17,066	19,451	8,328	9,726	-	-
-	-	-	-	25,290	25,324
141,502	21,528	96,840	86,317	4,362	7,363
5,896	5,886	3,510	3,504	-	-
78,248	78,182	46,576	46,537	-	-
-	-	-	-	11,948	19,296
101,297	112,426	8,794	4,286	-	-
2,003	1,150	2,739	3,067	21,923	24,981
1,239	869	688	483	-	-
-	-	-	-	1,758	3,006
4,432	4,916	9,689	10,055	926	1,773
<u>58,948</u>	<u>65,301</u>	<u>28,340</u>	<u>33,907</u>	<u>(113,361)</u>	<u>(125,580)</u>
<u>573,123</u>	<u>448,537</u>	<u>380,543</u>	<u>368,667</u>	-	-
<u>\$ 5,749</u>	<u>\$ 87,606</u>	<u>\$ (82,196)</u>	<u>\$ (89,383)</u>	<u>\$ -</u>	<u>\$ -</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

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

The Honorable John Ardoin, Mayor,
and Members of the Board of Aldermen
Town of Port Barre, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Port Barre, Louisiana (the Town) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated January 28, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2018-001(IC) through 2018-002(IC) to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2018-003(C).

The Town of Port Barre, Louisiana's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 28, 2019

TOWN OF PORT BARRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
September 30, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (9/30/2018) --						
<u>Internal Control:</u>						
2018-001(IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system. Specific areas noted were occupational licenses and utility billing adjustments.	N/A	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Toria Comeaux, Town Clerk	N/A
2018-002(IC)	Unknown	The Town does not have the staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	N/A	The Town has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditor.	Toria Comeaux, Town Clerk	N/A
<u>Compliance:</u>						
2018-003(C)	2018	The Town does not have adequate pledged securities for its bank deposits at September 30, 2018 and is not in compliance with R.S. 39:1218-1229. Management should ensure that all bank accounts are properly insured at all times.	No	Management will obtain additional pledged securities from its financial institution and ascertain that the Town has adequate pledged securities at all times in order to be in compliance with R.S. 39:1218-1229.	Toria Comeaux, Town Clerk	9/30/2019
<u>Management Letter:</u>						
2018-004(ML)	2017	The Town incurred late charges and interest charges on monthly credit card statements. Management should implement procedures to ensure timely payments to avoid late fees and/or finance charges.	No	Management will implement procedures to ensure that all invoices are paid timely to avoid late fees and/or finance charges.	Toria Comeaux, Town Clerk	9/30/2019
2018-005(ML)	2000	During the fiscal year ended September 30, 2018, the Utility Fund sewerage department experienced an operating loss of \$82,188. Management should consider increasing rates and/or decreasing expenses in order for this department to operate on a profitable basis.	Partial	Town officials will review current sewerage rates to determine whether rate increases are required and will closely scrutinize department expenses to determine where reductions can be made. These procedures should enable this department to operate on a profitable basis in the future.	Toria Comeaux, Town Clerk	9/30/2019

TOWN OF PORT BARRE, LOUISIANA
 Summary Schedule of Current and Prior Year Audit Findings
 and Management's Corrective Action Plan (Continued)
 September 30, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (9/30/2018) (Continued)--						
<u>Management Letter:</u>						
2018-006(ML)	2015	All utility customers with inactive accounts should be reviewed to determine whether the meter deposit associated with the account has been applied to the delinquent balance.	No	Town employees will determine whether meter deposits have been applied to delinquent balances on all inactive accounts and will make the necessary adjustments.	Toria Comeaux, Town Clerk	Immediately
2018-007(ML)	2018	During the fiscal year ended September 30, 2018, the gas loss percentage increased from 18.8% to 27.9%. Management should investigate the reasons for the increased loss and determine solutions to reduce the loss to an acceptable level.	No	Management will determine the various reasons for the significant gas loss and will establish solutions and implement practices to reduce the loss to an acceptable level.	Toria Comeaux, Town Clerk	9/30/2019
PRIOR YEAR (9/30/2017) --						
<u>Internal Control:</u>						
2017-001(IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system. Specific areas noted were occupational licenses and utility billing adjustments.	N/A	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Toria Comeaux, Town Clerk	N/A
2017-002(IC)	Unknown	The Town does not have the staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	N/A	The Town has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditor.	Toria Comeaux, Town Clerk	N/A

TOWN OF PORT BARRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
September 30, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>PRIOR YEAR (9/30/2017) (Continued) --</u>						
<u>Compliance:</u>						
2017-003(C)	2017	The Town's employees did not complete their annual ethics training in accordance with Louisiana Revised Statute 42:1170.	Yes	Management will adhere to the Town's adopted policies and procedures and ensure each employee participates in one hour of education and training on the Code of Governmental Ethics.	Toria Comeaux, Town Clerk	9/30/2018
<u>Management Letter:</u>						
2017-004(ML)	2017	The Town incurred late charges and interest charges due to invoices not being paid timely. Management should implement procedures to ensure timely payment of expenditures to avoid late fees and/or finance charges.	No	Management will implement procedures to ensure that all invoices are paid timely to avoid late fees and/or finance charges.	Toria Comeaux, Town Clerk	Immediately
2017-005(ML)	2000	During the fiscal year ended September 30, 2017, the Utility Fund gas and sewerage departments experienced an operating loss of \$16,739 and \$89,383, respectively. Management should consider increasing rates and/or decreasing expenses in order for this department to operate on a profitable basis.	Partial	Town officials will review current gas and sewerage rates to determine whether rate increases are required and will closely scrutinize department expenses to determine where reductions can be made. These procedures should enable these departments to operate on a profitable basis in the future.	Toria Comeaux, Town Clerk	9/30/2018
2017-006(ML)	2015	All utility customers with inactive accounts should be reviewed to determine whether the meter deposit associated with the account has been applied to the delinquent balance.	No	Town employees will determine whether meter deposits have been applied to delinquent balances on all inactive accounts and will make the necessary adjustments.	Toria Comeaux, Town Clerk	Immediately

KOLDER, SLAVEN & COMPANY, LLC

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MANAGEMENT LETTER

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The Honorable John Ardoin, Mayor
and Members of the Board of Aldermen
Town of Port Barre, Louisiana

During our audit of the basic financial statements of the Town of Port Barre for the year ended September 30, 2018 we noted areas in which improvements in the accounting system and financial practices of the Town may be desirable. Items (1) through (3) were also included in our management letter dated February 16, 2018 applicable to our audit of the basic financial statements for the year ended September 30, 2018, but are mentioned again for re-emphasis.

- (1) The Utility sewerage department experienced an operating loss of \$82,188. Management should consider increasing rates and /or decreasing expenses in order for sewerage department to operate on a profitable basis.
- (2) The Town incurred late charges and interest charges on monthly credit card statements. Management should implement procedures to ensure timely payments to avoid late fees and/or finance charges.
- (3) All utility customers with inactive accounts should be reviewed to determine whether the meter deposit associated with the account has been applied toward the delinquent balance.
- (4) The gas loss percentage increased from 18.8% to 27.9%. Management should investigate the reasons for the increased loss and determine solutions to reduce the loss to an acceptable level.

We would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing any of our recommendations, please feel free to contact us.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 28, 2019

TOWN OF PORT BARRE

Port Barre, Louisiana

Agreed-Upon Procedures Report

Year Ended September 30, 2018

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Mayor and Board of Aldermen of the
Town of Port Barre, Louisiana and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Town of Port Barre (Town) 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 October 1, 2017 through September 30, 2018. The Town'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

(The following procedures were not performed since there were no exceptions in the prior year.)

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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.
- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Board or Finance Committee

- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) Obtained the prior year audit report and observe the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

Bank Reconciliations

- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We selected the entity's only deposit site for testing.
5. For the deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We selected the one collection location for the deposit site, obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at the collection location, and observed that job duties are properly segregated at the collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
 - a) We observed that receipts are sequentially pre-numbered.
 - b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) We traced the deposit slip total to the actual deposit per the bank statement.
 - d) We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) We traced the actual deposit per the bank statement to the general ledger.
8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We selected the one location that processes payments.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
 - a) We observed that the disbursement matched the related original invoice/billing statement.
 - b) We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing was complete.
12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
 - a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participated in meals (for meal charges only).

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

(The following procedures were not performed since there were no exceptions in the prior year.)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

(The following procedures were not performed since there were no exceptions in the prior year.)

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

(The following procedures were not performed since there were no exceptions in the prior year.)

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that 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.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
 - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) We observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

(The following procedures were not performed since there were no exceptions in the prior year.)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

(The following procedures were not performed since there were no exceptions in the prior year.)

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Bank Reconciliations:

1. Out of five bank statements selected, one statement did not have evidence of management has research reconciling items that have been outstanding for more than 12 months from the statement closing date.

Management's response: The entity will implement a policy to ascertain that management will research reconciling items that have been outstanding for more than 12 months from the statement closing date.

Cash Collections:

2. Employees that are responsible for cash collections share cash drawers/registers.

Management's response: Management will ascertain that employees that are responsible for cash collection will have separate drawers/registers.

3. Out of ten deposits selected, one deposit was not made within one business day of receipt at the collection location.

Management's response: Management will ensure that all deposits will be made within one business day of receipts at the collection location.

Credit Cards/Debit Cards/Fuel Cards/P-Cards:

4. Out of three credit cards selected, two cards had late fees and interest charges on it.

Management's response: Management will ensure that credit card payments are made in a timely manner.

5. Out of five credit card transactions selected, three transactions did not have written documentation of the business/public purpose.

Management's response: Management will document the business purpose on all invoices and/or receipts.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Town of Port Barre and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 28, 2019