

**TOWN OF PORT BARRE, LOUISIANA**

Financial Report

Year Ended September 30, 2017

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
 <b>BASIC FINANCIAL STATEMENTS</b>	
 <b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>	
Statement of net position	6
Statement of activities	7
 <b>FUND FINANCIAL STATEMENTS (FFS)</b>	
Balance sheet - governmental funds	10
Reconciliation of the governmental funds balance sheet to the statement of net position	11
Statement of revenues, expenditures, and changes in fund balances- governmental funds	12
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds	13
Statement of net position - proprietary fund	14
Statement of revenues, expenses, and changes in fund net position - proprietary fund	15
Statement of cash flows - proprietary fund	16-17
Notes to basic financial statements	18-34
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary comparison schedules:	
General Fund	36
1966 Sales Tax Special Revenue Fund	37
1996 Sales Tax Special Revenue Fund	38
Notes to the required supplementary information	39

## TABLE OF CONTENTS

	<u>Page</u>
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
Statement of net position - compared to prior year totals	41
General and Special Revenue Funds - comparative balance sheet	42
Major Governmental Funds - detail budgetary comparison schedules compared to actual for prior year:	
General Fund - budgetary comparison schedule - revenues	43
General Fund - budgetary comparison schedule- expenditures	44-45
1966 Sales Tax Special Revenue Fund	46
1996 Sales Tax Special Revenue Fund	47
1996 Sales Tax Bonds Debt Service Fund	48
Schedule of number of utility customers (unaudited)	49
Schedule of insurance in force (unaudited)	50
Combined schedule of interest-bearing deposits - all funds	51
Comparative statement of net position - enterprise fund	52
Comparative departmental analysis of revenues and expenses - enterprise fund	53-54
<b>INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS</b>	
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 <u>Government Auditing Standards</u>	56-57
Summary schedule of current and prior year audit findings and management's corrective action plan	58-61

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## INDEPENDENT AUDITOR'S REPORT

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The Honorable Gilfred Savoy, Jr., 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, 2017, 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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 36 through 38 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 2016 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 on pages 43 through 54 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 February 16, 2018, 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  
February 16, 2018

**BASIC FINANCIAL STATEMENTS**

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

TOWN OF PORT BARRE, LOUISIANA

Statement of Net Position  
September 30, 2017

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 584,254	\$ 61,584	\$ 645,838
Receivables, net	28,946	128,451	157,397
Internal balances	(35,989)	35,989	-
Due from other governmental units	27,044	-	27,044
Prepaid items	-	4,567	4,567
Total current assets	<u>604,255</u>	<u>230,591</u>	<u>834,846</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	232,237	232,237
Capital assets:			
Land and construction in progress	86,425	415,710	502,135
Other capital assets, net	<u>2,641,014</u>	<u>4,002,698</u>	<u>6,643,712</u>
Total noncurrent assets	<u>2,727,439</u>	<u>4,650,645</u>	<u>7,378,084</u>
Total assets	<u>3,331,694</u>	<u>4,881,236</u>	<u>8,212,930</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts, salaries and other payables	50,573	85,695	136,268
Retainage payable	-	40,042	40,042
Lease payable	-	53,964	53,964
Bonds payable	-	51,000	51,000
Accrued interest	-	2,009	2,009
Total current liabilities	<u>50,573</u>	<u>232,710</u>	<u>283,283</u>
Noncurrent liabilities:			
Customers' deposits	-	161,025	161,025
Lease payable	-	313,417	313,417
Bonds payable	-	277,000	277,000
Total noncurrent liabilities	<u>-</u>	<u>751,442</u>	<u>751,442</u>
Total liabilities	<u>50,573</u>	<u>984,152</u>	<u>1,034,725</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,727,439	3,774,027	6,501,466
Restricted for sales tax dedication	289,893	-	289,893
Restricted for debt service	6,398	18,203	24,601
Unrestricted	<u>257,391</u>	<u>104,854</u>	<u>362,245</u>
Total net position	<u>\$ 3,281,121</u>	<u>\$ 3,897,084</u>	<u>\$ 7,178,205</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, 2017

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	\$ 257,600	\$ 96,820	\$ -	\$ -	\$ (160,780)	\$ -	\$ (160,780)
Public safety:							
Police	876,483	464,664	62,717	-	(349,102)	-	(349,102)
Streets	381,085	-	-	31,955	(349,130)	-	(349,130)
Culture and recreation	225,675	77,129	-	-	(148,546)	-	(148,546)
Total governmental activities	<u>1,740,843</u>	<u>638,613</u>	<u>62,717</u>	<u>31,955</u>	<u>(1,007,558)</u>	<u>-</u>	<u>(1,007,558)</u>
Business-type activities:							
Gas	239,468	222,729	-	-	-	(16,739)	(16,739)
Water	471,060	536,143	-	-	-	65,083	65,083
Sewerage	391,191	279,284	-	-	-	(111,907)	(111,907)
Total business-type activities	<u>1,101,719</u>	<u>1,038,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,563)</u>	<u>(63,563)</u>
Total	<u>\$2,842,562</u>	<u>\$ 1,676,769</u>	<u>\$ 62,717</u>	<u>\$ 31,955</u>	<u>(1,007,558)</u>	<u>(63,563)</u>	<u>(1,071,121)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					71,776	-	71,776
Sales and use taxes, levied for general purposes					632,740	-	632,740
Franchise taxes					83,806	-	83,806
Grants and contributions not restricted to specific programs -							
State sources					59,836	-	59,836
Interest and investment earnings					584	263	847
Miscellaneous					143,627	-	143,627
Transfers					3,737	(3,737)	-
Total general revenues and transfers					<u>996,106</u>	<u>(3,474)</u>	<u>992,632</u>
Change in net position					(11,452)	(67,037)	(78,489)
Net position - October 1, 2016					<u>3,292,573</u>	<u>3,964,121</u>	<u>7,256,694</u>
Net position - September 30, 2017					<u>\$ 3,281,121</u>	<u>\$ 3,897,084</u>	<u>\$ 7,178,205</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **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, 2017

	General	1966 Sales Tax Special Revenue	1996 Sales Tax Special Revenue	1996 Sales Tax Bonds Debt Service	Total
<b>ASSETS</b>					
Cash and interest-bearing deposits	\$ 310,847	\$ 63,072	\$ 203,937	\$ 6,398	\$ 584,254
Receivables:					
Taxes	28,946	-	-	-	28,946
Due from other funds	-	35,854	-	-	35,854
Due from other governmental units	7,044	-	20,000	-	27,044
Total assets	\$ 346,837	\$ 98,926	\$ 223,937	\$ 6,398	\$ 676,098
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 27,333	\$ 12,660	\$ 10,580	\$ -	\$ 50,573
Due to other funds	62,113	-	9,730	-	71,843
Total liabilities	89,446	12,660	20,310	-	122,416
Fund balances:					
Restricted for debt service	-	-	-	6,398	6,398
Restricted for sales tax dedications	-	86,266	203,627	-	289,893
Unassigned	257,391	-	-	-	257,391
Total fund balances	257,391	86,266	203,627	6,398	553,682
Total liabilities and fund balances	\$ 346,837	\$ 98,926	\$ 223,937	\$ 6,398	\$ 676,098

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, 2017

Total fund balances for governmental funds at September 30, 2017		\$ 553,682
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 \$1,232,622 accumulated depreciation	1,097,512	
Infrastructure, net of \$797,282 accumulated depreciation	1,406,557	
Equipment, net of \$598,917 accumulated depreciation	<u>136,945</u>	<u>2,727,439</u>
Total net position of governmental activities at September 30, 2017		<u>\$3,281,121</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, 2017

	General	1966 Sales Tax Special Revenue	1996 Sales Tax Special Revenue	1996 Sales Tax Bonds Debt Service	Total
<b>Revenues:</b>					
Taxes	\$ 153,019	\$ 284,733	\$ 348,007	\$ -	\$ 785,759
Licenses and permits	96,820	-	-	-	96,820
Intergovernmental	125,116	-	31,955	-	157,071
Fines and forfeits	464,664	-	-	-	464,664
Miscellaneous	221,320	-	20	-	221,340
Total revenues	<u>1,060,939</u>	<u>284,733</u>	<u>379,982</u>	<u>-</u>	<u>1,725,654</u>
<b>Expenditures:</b>					
Current -					
General government	178,842	13,114	13,852	-	205,808
Public safety:					
Police	831,152	-	-	-	831,152
Highways and streets	-	249,000	72,961	-	321,961
Culture and recreation	174,580	15,520	-	-	190,100
Capital outlay	15,994	3,500	-	-	19,494
Debt service -					
Principal	-	-	-	56,000	56,000
Interest and fiscal charges	-	-	-	2,290	2,290
Total expenditures	<u>1,200,568</u>	<u>281,134</u>	<u>86,813</u>	<u>58,290</u>	<u>1,626,805</u>
Excess (deficiency) of revenues over expenditures	<u>(139,629)</u>	<u>3,599</u>	<u>293,169</u>	<u>(58,290)</u>	<u>98,849</u>
<b>Other financing sources (uses):</b>					
Transfers in	133,737	150,000	-	23,954	307,691
Transfers out	<u>-</u>	<u>(130,000)</u>	<u>(173,954)</u>	<u>-</u>	<u>(303,954)</u>
Total other financing sources (uses)	<u>133,737</u>	<u>20,000</u>	<u>(173,954)</u>	<u>23,954</u>	<u>3,737</u>
Net changes in fund balances	(5,892)	23,599	119,215	(34,336)	102,586
Fund balances, beginning	<u>263,283</u>	<u>62,667</u>	<u>84,412</u>	<u>40,734</u>	<u>451,096</u>
Fund balances, ending	<u>\$ 257,391</u>	<u>\$ 86,266</u>	<u>\$ 203,627</u>	<u>\$ 6,398</u>	<u>\$ 553,682</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, 2017

Total net changes in fund balances at September 30, 2017 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 102,586
<p>The change in net position reported for governmental activities in the statement of activities is different because:</p>	
<p>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.</p>	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 19,494
Depreciation expense for the year ended September 30, 2017	(186,852)
Loss on disposal of capital assets	<u>(3,301)</u> (170,659)
<p>Proceeds from bonds and notes payable are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long- term liabilities and does not affect the statement of activities. Similarly, repayment of principal are recorded as expenditures in the governmental funds but reduce the liability in the statement of net position.</p>	
Principal payments	56,000
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	<u>621</u>
Total changes in net position at September 30, 2017 per Statement of Activities	<u>\$ (11,452)</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, 2017

	<u>Enterprise Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 61,584
Receivables:	
Accounts receivable	88,409
Other	40,042
Due from other funds	35,989
Prepaid items	<u>4,567</u>
Total current assets	<u>230,591</u>
Noncurrent assets:	
Restricted assets:	
Cash	95,842
Interest -bearing deposits, at cost	136,395
Capital assets:	
Land and construction in progress	415,710
Other capital assets, net	<u>4,002,698</u>
Total noncurrent assets	<u>4,650,645</u>
Total assets	<u>4,881,236</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	84,182
Other liabilities	1,513
Retainage payable	40,042
Lease payable	53,964
Payable from restricted assets -	
Revenue bonds	51,000
Accrued interest	<u>2,009</u>
Total current liabilities	<u>232,710</u>
Noncurrent liabilities:	
Customers' deposits	161,025
Lease payable	313,417
Revenue bonds	<u>277,000</u>
Total noncurrent liabilities	<u>751,442</u>
Total liabilities	<u>984,152</u>
<b>NET POSITION</b>	
Net investment in capital assets	3,774,027
Restricted for debt service	18,203
Unrestricted	<u>104,854</u>
Total net position	<u>\$3,897,084</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, 2017

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 213,298
Water sales	511,284
Sewer service charges	267,329
Connection charges	7,123
Miscellaneous	<u>39,122</u>
Total operating revenues	<u>1,038,156</u>
Operating expenses:	
Gas department	239,468
Water department	448,537
Sewerage department	<u>368,667</u>
Total operating expenses	<u>1,056,672</u>
Operating loss	<u>(18,516)</u>
Nonoperating revenues (expenses):	
Interest income	263
Interest expense	(25,228)
Debt issuance costs	<u>(19,819)</u>
Total nonoperating revenues (expenses)	<u>(44,784)</u>
Loss before transfers	<u>(63,300)</u>
Transfers:	
Transfers in	130,000
Transfers out	<u>(133,737)</u>
Total transfers	<u>(3,737)</u>
Change in net position	(67,037)
Net position, beginning	<u>3,964,121</u>
Net position, ending	<u>\$ 3,897,084</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, 2017

	Enterprise Fund
Cash flows from operating activities:	
Receipts from customers	\$ 978,074
Payments to suppliers	(660,951)
Payments to employees	(239,182)
Other receipts	<u>39,122</u>
Net cash provided by operating activities	<u>117,063</u>
Cash flows from noncapital financing activities:	
Transfers from other funds	130,000
Transfers to other funds	<u>(133,737)</u>
Net cash used by noncapital financing activities	<u>(3,737)</u>
Cash flows from capital and related financing activities:	
Proceeds from lease payable	367,381
Principal paid on revenue bond maturities	(50,000)
Interest and fiscal charges paid on revenue bonds	(45,353)
Net increase in meter deposits	4,603
Acquisition of equipment	<u>(401,523)</u>
Net cash used by capital and related financing activities	<u>(124,892)</u>
Cash flows from investing activities:	
Purchase of interest-bearing deposits	(27,889)
Maturities of interest-bearing deposits	27,765
Interest on investments	<u>263</u>
Net cash provided by investing activities	<u>139</u>
Net decrease in cash and cash equivalents	(11,427)
Cash and cash equivalents, beginning of period	<u>277,359</u>
Cash and cash equivalents, end of period	<u>\$ 265,932</u>

(continued)

TOWN OF PORT BARRE, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund - (Continued)  
 For the Year Ended September 30, 2017

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (18,516)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	176,176
Changes in current assets and liabilities:	
Accounts receivable	(20,960)
Prepaid expenses	(4,567)
Accounts payable	(11,709)
Due to other governmental units	(3,578)
Other liabilities	<u>217</u>
Net cash provided by operating activities	<u>\$ 117,063</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	\$ 76,884
Cash - restricted	145,893
Interest-bearing deposits - restricted	82,347
Less: Interest-bearing deposits with a maturity over three months	<u>(27,765)</u>
Total cash and cash equivalents	<u>277,359</u>
Cash and cash equivalents, end 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>(27,889)</u>
Total cash and cash equivalents	<u>265,932</u>
Net decrease	<u>\$ (11,427)</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 \$48,659 at September 30, 2017. 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, 2017.

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, 2017.

## 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, 2017, 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, 2017 for the proprietary fund and business-type activities was \$25,228.

Total interest incurred and expensed for the year ended September 30, 2017 for the governmental funds was \$2,290 and the governmental activities was \$1,669.

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, 2017, taxes of 5.15 mills were levied on property with assessed valuations totaling \$12,222,230 and were dedicated for general corporate purposes.

Total taxes levied were \$62,946. Taxes receivable (including interest and penalties receivable) at September 30, 2017 consisted of the following:

Total receivable	\$ 4,080
Allowance for uncollectibles	<u>(392)</u>
Net receivable	<u>\$ 3,688</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 (2017 collections \$284,733) 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.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

- B. Proceeds of a 1996 1.2% sales and use tax levied in perpetuity by the Town of Port Barre (2017 collections \$348,007) 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, 2017, the Town had cash and interest-bearing deposits (book balances) totaling \$878,075 as follows:

Non interest-bearing	\$ 507,283
Interest-bearing	123,912
Time deposits	<u>246,880</u>
Total	<u>\$ 878,075</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, 2017 were secured as follows:

Bank balances	<u>\$ 933,188</u>
Federal deposit insurance	\$ 527,889
Pledged securities	<u>405,299</u>
Total federal deposit insurance and pledged securities	<u>\$ 933,188</u>

Deposits in the amount of \$405,299 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, 2017 consist of the following:

	General	1996 Sales Tax	Utility	Total
Accounts	\$ -	\$ -	\$ 88,409	\$ 88,409
Other	-	-	40,042	40,042
Taxes:				
Franchise taxes	25,258	-	-	25,258
Ad valorem taxes	3,688	-	-	3,688
Totals	<u>\$ 28,946</u>	<u>-</u>	<u>\$ 128,451</u>	<u>\$ 157,397</u>

(6) Due from Other Governmental Units

Due from other governmental units at September 30, 2017 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, 2017 \$ 1,575

Amount due from the St. Landry Parish Government for casino revenues earned during the fiscal year ending September 30, 2017 2,906

Amount due from the St. Landry Housing Authority for payments in lieu of taxes earned during the fiscal year ending September 30, 2017 2,563

Total General Fund 7,044

1996 Sales Tax Special Revenue Fund:

Amount due from St. Landry Parish Solid Waste Disposal District for reimbursement of expenditures incurred for road repairs during the fiscal year ending September 30, 2017 20,000

Total amount due from other governmental units \$ 27,044

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at September 30, 2017 :

Revenue bond and interest sinking account	\$ 15,332
Revenue bond contingency account	55,880
Customers' deposits	<u>161,025</u>
Total restricted assets	<u>\$ 232,237</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended September 30, 2017 was as follows:

	Balance 09/30/16	Additions	Deletions	Balance 09/30/17
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 86,425	\$ -	\$ -	\$ 86,425
Other capital assets:				
Buildings	2,322,835	7,299	-	2,330,134
Infrastructure	2,203,839	-	-	2,203,839
Equipment	<u>739,328</u>	<u>12,195</u>	<u>15,661</u>	<u>735,862</u>
Totals	<u>5,352,427</u>	<u>19,494</u>	<u>15,661</u>	<u>5,356,260</u>
Less accumulated depreciation:				
Buildings	1,160,729	71,893	-	1,232,622
Infrastructure	745,565	51,717	-	797,282
Equipment	<u>548,035</u>	<u>63,242</u>	<u>12,360</u>	<u>598,917</u>
Total accumulated depreciation	<u>2,454,329</u>	<u>186,852</u>	<u>12,360</u>	<u>2,628,821</u>
Governmental activities, capital assets, net	<u>\$ 2,898,098</u>	<u>\$(167,358)</u>	<u>\$ 3,301</u>	<u>\$ 2,727,439</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	-	-	798,173
Water system	2,207,662	32,451	17,103	2,223,010
Sewer system	4,867,434	-	12,445	4,854,989
Machinery and equipment	<u>122,058</u>	<u>8,696</u>	<u>87</u>	<u>130,667</u>
Totals	<u>8,010,619</u>	<u>441,565</u>	<u>29,635</u>	<u>8,422,549</u>
Less accumulated depreciation:				
Gas system	617,831	10,161	-	627,992
Water system	864,384	62,952	17,103	910,233
Sewer system	2,274,653	97,166	12,445	2,359,374
Machinery and equipment	<u>100,732</u>	<u>5,897</u>	<u>87</u>	<u>106,542</u>
Total accumulated depreciation	<u>3,857,600</u>	<u>176,176</u>	<u>29,635</u>	<u>4,004,141</u>
Business-type activities, capital assets, net	<u>\$ 4,153,019</u>	<u>\$ 265,389</u>	<u>\$ -</u>	<u>\$ 4,418,408</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 51,792
Police	42,030
Streets	57,455
Culture and recreation	<u>35,575</u>
Total depreciation expense	<u>\$ 186,852</u>

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

Gas	\$ 12,159
Water	62,952
Sewer	<u>101,065</u>
Total depreciation expense	<u>\$ 176,176</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, 2017:

	<u>Governmental</u>	<u>Business-type</u>	
	<u>Activities</u>	<u>Activities</u>	
	General	Revenue	Lease
	Obligation	Bonds	Payable
	<u>Bonds</u>	<u>Bonds</u>	<u>Payable</u>
Long-term debt payable, September 30, 2016	\$ 56,000	\$ 378,000	\$ -
Long-term debt issued	-	-	420,237
Long-term debt retired	<u>(56,000)</u>	<u>(50,000)</u>	<u>(52,856)</u>
Long-term debt payable, September 30, 2017	<u>\$ -</u>	<u>\$ 328,000</u>	<u>\$ 367,381</u>

Long-term debt payable at September 30, 2017 is comprised of the following issues:

	<u>Current</u>
	<u>Portion</u>
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>\$ 328,000</u> <u>\$ 51,000</u>
Lease payable:	
\$420,237 lease payable to bank dated October 3, 2016, due in 10 annual installments of \$68,579, including interest at 2.7%, through September 30, 2026, secured by Utility Fund equipment.	<u>\$367,381</u> <u>\$ 53,964</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>
2018	\$ 104,964	\$ 22,651
2019	108,422	19,944
2020	111,886	17,181
2021	114,454	14,266
2022	118,032	11,316
2023 - 2026	<u>137,623</u>	<u>10,620</u>
Total	<u>\$ 695,381</u>	<u>\$ 95,978</u>

The Town has \$173,904 of lease proceeds available to be drawn down at September 30, 2017.

(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, 2017.

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, 2017, 2016, and 2015 amounted to \$76,728, \$80,484, and \$80,547, 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, 2017, the Town purchased natural gas from Cypress Gas Pipeline Company in the amount of \$62,479. At September 30, 2017, the Town owed \$9,407 for natural gas purchases for the months of July, August, and September 30, 2017.

(14) Segment 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, 2017, was as follows:

	Gas Department	Water Department	Sewerage Department	Total Enterprise Fund
Operating revenues	<u>\$222,729</u>	<u>\$536,143</u>	<u>\$279,284</u>	<u>\$1,038,156</u>
Operating expenses:				
Depreciation	12,159	62,952	101,065	176,176
Other	<u>227,309</u>	<u>385,585</u>	<u>267,602</u>	<u>880,496</u>
Total operating expenses	<u>239,468</u>	<u>448,537</u>	<u>368,667</u>	<u>1,056,672</u>
Operating income (loss)	<u>\$ (16,739)</u>	<u>\$ 87,606</u>	<u>\$ (89,383)</u>	<u>\$ (18,516)</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, 2017 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 24,000
Car allowance	12,000
Registration fees	290
Conference travel	504
	<u>\$ 36,794</u>

(16) Compensation of Town Officials

A detail of compensation paid to the Board of Aldermen for the year ended September 30, 2017 follows:

Aldermen:

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

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, 2017, the Town of Port Barre is not involved any litigations.

(18) On-Behalf Payments of Salaries

During the year ended September 30, 2017, the State of Louisiana paid the Town's policemen \$62,717 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, 2017 :

	<u>Due From</u>	<u>Due To</u>
Governmental Funds:		
General Fund	\$ -	\$ 62,113
1966 Sales Tax Special Revenue Fund	35,854	-
1996 Sales Tax Special Revenue Fund	-	9,730
Proprietary Fund:		
Enterprise Fund	<u>35,989</u>	<u>-</u>
Total	<u>\$ 71,843</u>	<u>\$ 71,843</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, 2017 :

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 133,737	\$ -
1966 Sales Tax Special Revenue Fund	150,000	130,000
1996 Sales Tax Special Revenue Fund	-	173,954
1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund	23,954	-
Proprietary Fund:		
Enterprise Fund	<u>130,000</u>	<u>133,737</u>
Total	<u>\$ 437,691</u>	<u>\$ 437,691</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 157,900	\$ 149,890	\$ 153,019	\$ 3,129
Licenses and permits	93,000	96,659	96,820	161
Intergovernmental	117,663	131,616	125,116	(6,500)
Fines and forfeits	431,500	447,376	464,664	17,288
Miscellaneous	184,000	206,191	221,320	15,129
Total revenues	984,063	1,031,732	1,060,939	29,207
<b>Expenditures:</b>				
Current -				
General government	159,796	171,664	178,842	(7,178)
Public safety - police	810,200	816,410	831,152	(14,742)
Culture and recreation	148,678	160,371	174,580	(14,209)
Capital outlay	-	16,158	15,994	164
Total expenditures	1,118,674	1,164,603	1,200,568	(35,965)
Deficiency of revenues over expenditures	(134,611)	(132,871)	(139,629)	(6,758)
<b>Other financing sources:</b>				
Transfers in	135,000	133,000	133,737	737
Excess (deficiency) of revenues and other financing sources over expenditures	389	129	(5,892)	(6,021)
Fund balance, beginning	263,283	263,283	263,283	-
Fund balance, ending	\$ 263,672	\$ 263,412	\$ 257,391	\$ (6,021)

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

Budgetary Comparison Schedule  
For the Year Ended September 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
Taxes	\$ 279,000	\$ 293,085	\$ 284,733	\$ (8,352)
Interest	-	-	-	-
Total revenues	<u>279,000</u>	<u>293,085</u>	<u>284,733</u>	<u>(8,352)</u>
<b>Expenditures:</b>				
Current -				
General government:				
Professional fees	9,325	10,285	10,285	-
Miscellaneous	3,020	2,938	2,829	109
Total general government	<u>12,345</u>	<u>13,223</u>	<u>13,114</u>	<u>109</u>
Highways and streets:				
Salaries	161,000	139,859	140,177	(318)
Maintenance and materials	31,300	43,430	40,998	2,432
Street materials and supplies	18,000	14,816	10,099	4,717
Group insurance	32,300	35,971	38,902	(2,931)
Payroll taxes	12,100	10,461	10,602	(141)
Miscellaneous	9,200	7,540	8,222	(682)
Total highways and streets	<u>263,900</u>	<u>252,077</u>	<u>249,000</u>	<u>3,077</u>
Culture and recreation	<u>12,700</u>	<u>15,655</u>	<u>15,520</u>	<u>135</u>
Capital outlay - equipment	-	3,500	3,500	-
Total expenditures	<u>288,945</u>	<u>284,455</u>	<u>281,134</u>	<u>3,321</u>
Excess (deficiency) of revenues over expenditures	<u>(9,945)</u>	<u>8,630</u>	<u>3,599</u>	<u>(5,031)</u>
<b>Other financing sources (uses):</b>				
Transfers from 1996 Sales Tax Fund	-	150,000	150,000	-
Transfers to Utility Fund	-	(30,000)	(130,000)	(100,000)
Total other financing sources (uses)	<u>-</u>	<u>120,000</u>	<u>20,000</u>	<u>(100,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(9,945)</u>	<u>128,630</u>	<u>23,599</u>	<u>(105,031)</u>
Fund balance, beginning	<u>62,667</u>	<u>62,667</u>	<u>62,667</u>	-
Fund balance, ending	<u>\$ 52,722</u>	<u>\$ 191,297</u>	<u>\$ 86,266</u>	<u>\$ (105,031)</u>

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

Budgetary Comparison Schedule  
For the Year Ended September 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 341,000	\$ 328,167	\$ 348,007	\$ 19,840
Donation - St. Landry Disposal	-	32,000	31,955	(45)
Interest	-	19	20	1
Total revenues	<u>341,000</u>	<u>360,186</u>	<u>379,982</u>	<u>19,796</u>
<b>Expenditures:</b>				
Current -				
General government:				
Professional fees	9,880	10,585	10,395	190
Miscellaneous	3,447	3,589	3,457	132
Total general government	<u>13,327</u>	<u>14,174</u>	<u>13,852</u>	<u>322</u>
Highways and streets:				
Electricity for lights	34,600	34,753	34,706	47
Maintenance and materials	-	39,000	38,255	745
Total highways and streets	<u>34,600</u>	<u>73,753</u>	<u>72,961</u>	<u>792</u>
Capital outlay - drainage improvements	-	-	-	-
Total expenditures	<u>47,927</u>	<u>87,927</u>	<u>86,813</u>	<u>1,114</u>
Excess of revenues over expenditures	<u>293,073</u>	<u>272,259</u>	<u>293,169</u>	<u>20,910</u>
<b>Other financing uses:</b>				
Transfers to 1966 Sales Tax Fund	(150,000)	(150,000)	(150,000)	-
Transfers to 1996 Bond Fund	(33,536)	(17,206)	(23,954)	(6,748)
Total financing uses	<u>(183,536)</u>	<u>(167,206)</u>	<u>(173,954)</u>	<u>(6,748)</u>
Excess of revenues over expenditures and other uses	109,537	105,053	119,215	14,162
Fund balance, beginning	<u>84,412</u>	<u>84,412</u>	<u>84,412</u>	-
Fund balance, ending	<u>\$ 193,949</u>	<u>\$ 189,465</u>	<u>\$ 203,627</u>	<u>\$ 14,162</u>

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, 2017, 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	\$ 171,664	\$ 178,842	\$ (7,178)
Public safety - police	816,410	831,152	(14,742)
Culture and recreation	160,371	174,580	(14,209)

**OTHER SUPPLEMENTARY INFORMATION**

TOWN OF PORT BARRE, LOUISIANA

Statement of Net Position  
September 30, 2017  
With Comparative Totals for September 30, 2016

	2017			2016 Totals
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$ 584,254	\$ 61,584	\$ 645,838	\$ 537,894
Receivables, net	28,946	128,451	157,397	150,655
Internal balances	(35,989)	35,989	-	-
Due from other governmental units	27,044	-	27,044	8,171
Prepaid items	-	4,567	4,567	-
Total current assets	<u>604,255</u>	<u>230,591</u>	<u>834,846</u>	<u>696,720</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	232,237	232,237	228,240
Capital assets:				
Land and construction in progress	86,425	415,710	502,135	101,717
Other capital assets, net	<u>2,641,014</u>	<u>4,002,698</u>	<u>6,643,712</u>	<u>6,949,400</u>
Total noncurrent assets	<u>2,727,439</u>	<u>4,650,645</u>	<u>7,378,084</u>	<u>7,279,357</u>
Total assets	<u>3,331,694</u>	<u>4,881,236</u>	<u>8,212,930</u>	<u>7,976,077</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts, salaries and other payables	50,573	85,695	136,268	107,868
Retainage payable	-	40,042	40,042	14,579
Due to other governmental units	-	-	-	3,578
Leases payable	-	53,964	53,964	-
Bonds payable	-	51,000	51,000	106,000
Accrued interest	-	2,009	2,009	2,936
Total current liabilities	<u>50,573</u>	<u>232,710</u>	<u>283,283</u>	<u>234,961</u>
Noncurrent liabilities:				
Customers' deposits	-	161,025	161,025	156,422
Leases payable	-	313,417	313,417	-
Bonds payable	-	<u>277,000</u>	<u>277,000</u>	<u>328,000</u>
Total noncurrent liabilities	<u>-</u>	<u>751,442</u>	<u>751,442</u>	<u>484,422</u>
Total liabilities	<u>50,573</u>	<u>984,152</u>	<u>1,034,725</u>	<u>719,383</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,727,439	3,774,027	6,501,466	6,652,535
Restricted for sales tax dedication	289,893	-	289,893	147,079
Restricted for debt service	6,398	18,203	24,601	59,616
Unrestricted	<u>257,391</u>	<u>104,854</u>	<u>362,245</u>	<u>397,464</u>
Total net position	<u>\$ 3,281,121</u>	<u>\$ 3,897,084</u>	<u>\$ 7,178,205</u>	<u>\$ 7,256,694</u>

TOWN OF PORT BARRE, LOUISIANA

Comparative Balance Sheet  
 General and Special Revenue Funds  
 September 30, 2017 and 2016

	General		1966 Sales Tax Special Revenue		1996 Sales Tax Special Revenue	
	2017	2016	2017	2016	2017	2016
<b>ASSETS</b>						
Cash and interest-bearing deposits	\$ 310,847	\$ 282,038	\$ 63,072	\$ 29,791	\$ 203,937	\$ 108,447
Receivables:						
Taxes	28,946	43,164	-	-	-	-
Due from other funds	-	-	35,854	34,051	-	-
Due from other governmental units	7,044	8,171	-	-	20,000	-
Total assets	<u>\$ 346,837</u>	<u>\$ 333,373</u>	<u>\$ 98,926</u>	<u>\$ 63,842</u>	<u>\$ 223,937</u>	<u>\$ 108,447</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 27,333	\$ 8,476	\$ 12,660	\$ 1,175	\$ 10,580	\$ 1,030
Retainage payable	-	-	-	-	-	14,579
Due to other funds	62,113	61,614	-	-	9,730	8,426
Total liabilities	<u>89,446</u>	<u>70,090</u>	<u>12,660</u>	<u>1,175</u>	<u>20,310</u>	<u>24,035</u>
Fund balances:						
Restricted for sales tax dedications	-	-	86,266	62,667	203,627	84,412
Unassigned	257,391	263,283	-	-	-	-
Total fund balances	<u>257,391</u>	<u>263,283</u>	<u>86,266</u>	<u>62,667</u>	<u>203,627</u>	<u>84,412</u>
Total liabilities and fund balances	<u>\$ 346,837</u>	<u>\$ 333,373</u>	<u>\$ 98,926</u>	<u>\$ 63,842</u>	<u>\$ 223,937</u>	<u>\$ 108,447</u>

TOWN OF PORT BARRE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended September 30, 2017  
With Comparative Actual Amounts for the Year Ended September 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
<b>Taxes:</b>					
Ad valorem	\$ 55,000	\$ 62,871	\$ 62,642	\$ (229)	\$ 51,396
Interest and penalties on taxes	900	1,469	6,571	5,102	24,023
Franchise -					
Electric and cable TV	<u>102,000</u>	<u>85,550</u>	<u>83,806</u>	<u>(1,744)</u>	<u>84,572</u>
Total taxes	<u>157,900</u>	<u>149,890</u>	<u>153,019</u>	<u>3,129</u>	<u>159,991</u>
<b>Licenses and permits:</b>					
Occupational licenses	<u>93,000</u>	<u>96,659</u>	<u>96,820</u>	<u>161</u>	<u>93,076</u>
<b>Intergovernmental:</b>					
State of Louisiana -					
Beer taxes	6,200	7,603	6,038	(1,565)	6,184
Video poker	15,100	13,580	11,570	(2,010)	10,447
Casino revenue	39,500	41,570	37,841	(3,729)	38,602
Grass cutting	4,200	4,200	4,387	187	4,392
On-behalf payments	50,000	62,000	62,717	717	57,601
St. Landry Parish Housing Authority	<u>2,663</u>	<u>2,663</u>	<u>2,563</u>	<u>(100)</u>	<u>2,360</u>
Total intergovernmental	<u>117,663</u>	<u>131,616</u>	<u>125,116</u>	<u>(6,500)</u>	<u>119,586</u>
Fines and forfeits	<u>431,500</u>	<u>447,376</u>	<u>464,664</u>	<u>17,288</u>	<u>407,985</u>
<b>Miscellaneous:</b>					
Rent	115,800	115,800	115,800	-	115,800
Parks	8,500	8,615	9,515	900	8,965
Library fees	5,000	3,579	3,644	65	6,715
Youth league	48,500	57,642	63,970	6,328	51,111
Sale of equipment	1,200	-	-	-	1,545
Donations	5,000	-	-	-	6,850
Insurance reimbursement	-	20,555	19,992	(563)	20,638
Interest	-	-	564	564	575
Other	<u>-</u>	<u>-</u>	<u>7,835</u>	<u>7,835</u>	<u>6,379</u>
Total miscellaneous	<u>184,000</u>	<u>206,191</u>	<u>221,320</u>	<u>15,129</u>	<u>218,578</u>
Total revenues	<u>\$ 984,063</u>	<u>\$ 1,031,732</u>	<u>\$ 1,060,939</u>	<u>\$ 29,207</u>	<u>\$ 999,216</u>

TOWN OF PORT BARRE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended September 30, 2017  
With Comparative Actual Amounts for the Year Ended September 30, 2016

	2017				
	Budget		Actual	Variance with Final Budget	2016 Actual
	Original	Final		Positive (Negative)	
<b>Current:</b>					
<b>General government -</b>					
Advertising	\$ 2,700	\$ 377	\$ 341	\$ 36	\$ 2,787
Dues and subscriptions	3,175	3,994	3,708	286	3,134
Insurance	8,650	8,382	5,836	2,546	8,954
Legal fees	1,200	1,200	1,200	-	1,200
Mayor's allowance	12,000	12,000	12,000	-	12,000
Miscellaneous	5,000	9,623	9,384	239	2,754
Payroll taxes	5,650	5,615	5,564	51	5,722
Professional fees	33,455	29,501	33,670	(4,169)	28,095
Salaries	71,000	73,800	73,205	595	75,763
Travel and meetings	6,500	5,069	10,877	(5,808)	10,543
Preparation of tax roll	2,666	2,654	2,654	-	2,666
Repairs and maintenance	4,100	15,729	16,228	(499)	4,067
Coroner's fees	1,000	1,375	1,275	100	1,250
Electricity	2,700	2,345	2,900	(555)	4,047
Total general government	<u>159,796</u>	<u>171,664</u>	<u>178,842</u>	<u>(7,178)</u>	<u>162,982</u>
<b>Public safety - police -</b>					
Feeding prisoners	1,800	-	1,470	(1,470)	1,813
Drug enforcement	1,000	-	-	-	-
Insurance	34,300	45,329	49,902	(4,573)	35,533
Group insurance	68,900	71,673	78,188	(6,515)	75,166
Miscellaneous	1,900	1,251	1,240	11	1,800
Police car expenditures	23,350	22,498	22,097	401	22,639
Salaries	530,000	523,660	527,033	(3,373)	553,862
Payroll taxes	40,200	39,788	40,194	(406)	43,419
Supplies	25,700	16,196	17,620	(1,424)	17,802
Repairs and maintenance	28,500	41,823	42,927	(1,104)	50,045
Uniforms	7,800	8,317	8,542	(225)	8,452
Training academy	1,200	3,495	2,695	800	450
Travel and meetings	1,700	1,704	1,704	-	1,732
Telephone	12,100	13,539	11,918	1,621	11,638
Electricity	7,500	5,929	7,118	(1,189)	8,035
Medical and drug testing	13,100	5,464	5,164	300	13,058
Janitorial	3,650	5,170	3,666	1,504	3,396
Fine remittance fees	7,500	10,574	9,674	900	10,850
Total public safety	<u>810,200</u>	<u>816,410</u>	<u>831,152</u>	<u>(14,742)</u>	<u>859,690</u>

(continued)

TOWN OF PORT BARRE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended September 30, 2017  
With Comparative Actual Amounts for the Year Ended September 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Culture and recreation -					
Community Center -					
Salaries	34,800	36,560	37,268	(708)	39,087
Payroll taxes	2,400	2,873	2,851	22	2,963
Electricity	4,100	3,618	3,975	(357)	4,822
Repairs and maintenance	1,000	2,352	2,102	250	6,431
Elderly Assistance Program	-	-	-	-	642
Library -					
Salaries	26,000	26,538	26,498	40	26,955
Payroll taxes	1,995	2,031	2,027	4	2,062
Telephone and electricity	5,800	8,592	6,196	2,396	6,244
Repairs and maintenance	1,000	808	2,673	(1,865)	2,044
Supplies and equipment	800	8	8	-	1,226
Parks and recreation -					
Salaries	26,500	26,500	26,500	-	27,519
Payroll taxes	1,930	1,922	1,926	(4)	2,004
Telephone and electricity	2,450	2,416	6,954	(4,538)	4,421
Repairs and maintenance	2,500	396	-	396	19
Contract labor	13,500	13,382	14,574	(1,192)	13,544
Youth league supplies	-	13,000	22,950	(9,950)	11,260
Miscellaneous	23,903	19,375	18,078	1,297	18,720
Total culture and recreation	<u>148,678</u>	<u>160,371</u>	<u>174,580</u>	<u>(14,209)</u>	<u>169,963</u>
Capital outlay:					
General government -					
Equipment	-	8,700	8,695	5	-
Public safety -					
Equipment	-	-	-	-	8,184
Culture and recreation -					
Library building	-	7,458	7,299	159	-
Total capital outlay	<u>-</u>	<u>16,158</u>	<u>15,994</u>	<u>164</u>	<u>8,184</u>
Debt service:					
Principal retirement	-	-	-	-	35,424
Interest and fiscal charges	-	-	-	-	1,163
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,587</u>
Total expenditures	<u>\$1,118,674</u>	<u>\$1,164,603</u>	<u>\$1,200,568</u>	<u>\$ (35,965)</u>	<u>\$1,237,406</u>

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

Budgetary Comparison Schedule  
For the Year Ended September 30, 2017  
With Comparative Actual Amounts for the Year Ended September 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 279,000	\$ 293,085	\$ 284,733	\$ (8,352)	\$ 279,597
Interest	-	-	-	-	19
<b>Total revenues</b>	<u>279,000</u>	<u>293,085</u>	<u>284,733</u>	<u>(8,352)</u>	<u>279,616</u>
<b>Expenditures:</b>					
<b>Current -</b>					
<b>General government:</b>					
Professional fees	9,325	10,285	10,285	-	9,175
Collection fees	3,020	2,938	2,829	109	2,814
<b>Total general government</b>	<u>12,345</u>	<u>13,223</u>	<u>13,114</u>	<u>109</u>	<u>11,989</u>
<b>Highways and streets:</b>					
Salaries	161,000	139,859	140,177	(318)	166,296
Maintenance and materials	31,300	43,430	40,998	2,432	31,411
Street materials and supplies	18,000	14,816	10,099	4,717	18,379
Group insurance	32,300	35,971	38,902	(2,931)	34,934
Payroll taxes	12,100	10,461	10,602	(141)	13,133
Miscellaneous	9,200	7,540	8,222	(682)	7,222
<b>Total highways and streets</b>	<u>263,900</u>	<u>252,077</u>	<u>249,000</u>	<u>3,077</u>	<u>271,375</u>
<b>Culture and recreation</b>	<u>12,700</u>	<u>15,655</u>	<u>15,520</u>	<u>135</u>	<u>14,164</u>
<b>Capital outlay -</b>					
Street equipment	-	3,500	3,500	-	-
<b>Total expenditures</b>	<u>288,945</u>	<u>284,455</u>	<u>281,134</u>	<u>3,321</u>	<u>297,528</u>
<b>Excess (deficiency) of revenues         over expenditures</b>	<u>(9,945)</u>	<u>8,630</u>	<u>3,599</u>	<u>(5,031)</u>	<u>(17,912)</u>
<b>Other financing sources (uses):</b>					
Transfers from 1996 Sales Tax Fund	-	150,000	150,000	-	100,000
Transfers to Utility Fund	-	(30,000)	(130,000)	(100,000)	(150,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>120,000</u>	<u>20,000</u>	<u>(100,000)</u>	<u>(50,000)</u>
<b>Change in fund balance</b>	<u>(9,945)</u>	<u>128,630</u>	<u>23,599</u>	<u>(105,031)</u>	<u>(67,912)</u>
Fund balance, beginning	<u>62,667</u>	<u>62,667</u>	<u>62,667</u>	-	<u>130,579</u>
Fund balance, ending	<u>\$ 52,722</u>	<u>\$ 191,297</u>	<u>\$ 86,266</u>	<u>\$ (105,031)</u>	<u>\$ 62,667</u>

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

Budgetary Comparison Schedule  
For the Year Ended September 30, 2017  
With Comparative Actual Amounts for the Year Ended September 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$341,000	\$ 328,167	\$348,007	\$ 19,840	\$ 341,729
Donation - St. Landry Disposal	-	32,000	31,955	(45)	-
Interest	-	19	20	1	53
Total revenues	<u>341,000</u>	<u>360,186</u>	<u>379,982</u>	<u>19,796</u>	<u>341,782</u>
<b>Expenditures:</b>					
Current -					
General government:					
Professional fees	9,880	10,585	10,395	190	9,670
Collection fees	<u>3,447</u>	<u>3,589</u>	<u>3,457</u>	<u>132</u>	<u>3,439</u>
Total general government	<u>13,327</u>	<u>14,174</u>	<u>13,852</u>	<u>322</u>	<u>13,109</u>
Highways and streets:					
Electricity for lights	34,600	34,753	34,706	47	37,538
Maintenance and materials	<u>-</u>	<u>39,000</u>	<u>38,255</u>	<u>745</u>	<u>-</u>
Total highways and streets	<u>34,600</u>	<u>73,753</u>	<u>72,961</u>	<u>792</u>	<u>37,538</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,957</u>
Total expenditures	<u>47,927</u>	<u>87,927</u>	<u>86,813</u>	<u>1,114</u>	<u>248,604</u>
Excess of revenues over expenditures	<u>293,073</u>	<u>272,259</u>	<u>293,169</u>	<u>20,910</u>	<u>93,178</u>
<b>Other financing uses:</b>					
Transfers to 1966 Sales Tax Fund	(150,000)	(150,000)	(150,000)	-	(100,000)
Transfers to 1996 Bond Fund	<u>(33,536)</u>	<u>(17,206)</u>	<u>(23,954)</u>	<u>(6,748)</u>	<u>(57,161)</u>
Total other financing uses	<u>(183,536)</u>	<u>(167,206)</u>	<u>(173,954)</u>	<u>(6,748)</u>	<u>(157,161)</u>
Change in fund balance	109,537	105,053	119,215	14,162	(63,983)
Fund balance, beginning	<u>84,412</u>	<u>84,412</u>	<u>84,412</u>	<u>-</u>	<u>148,395</u>
Fund balance, ending	<u>\$193,949</u>	<u>\$ 189,465</u>	<u>\$203,627</u>	<u>\$ 14,162</u>	<u>\$ 84,412</u>

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

Budgetary Comparison Schedule  
For the Year Ended September 30, 2017  
With Comparative Actual Amounts for the Year Ended September 30, 2016

	2017		Variance with Final Budget Positive (Negative)	2016 Actual
	Budget	Actual		
<b>Revenues:</b>				
Miscellaneous -				
Interest on deposits	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Debt service -				
Principal retirement	56,000	56,000	-	54,000
Interest	1,490	1,490	-	2,926
Paying agents' fees	450	800	(350)	450
Total debt service	<u>57,940</u>	<u>58,290</u>	<u>(350)</u>	<u>57,376</u>
Deficiency of revenues over expenditures	(57,940)	(58,290)	(350)	(57,376)
<b>Other financing source:</b>				
Transfers from 1996 Sales Tax Fund	<u>17,206</u>	<u>23,954</u>	<u>6,748</u>	<u>57,161</u>
Deficiency of revenues and other financing sources over expenditures	(40,734)	(34,336)	6,398	(215)
Fund balance, beginning	<u>40,734</u>	<u>40,734</u>	<u>-</u>	<u>40,949</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 6,398</u>	<u>\$ 6,398</u>	<u>\$ 40,734</u>

TOWN OF PORT BARRE, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
September 30, 2017 and 2016

Records maintained by the Town indicated the following number of customers were being served during the month of September, 2017 and 2016:

<u>Department</u>	<u>2017</u>	<u>2016</u>
Gas (metered)	443	455
Water (metered)	1,315	1,312
Sewerage	951	950

TOWN OF PORT BARRE, LOUISIANA

Schedule of Insurance in Force  
(Unaudited)  
September 30, 2017

<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	218,902
Aggregate	1,500,000

TOWN OF PORT BARRE, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds  
September 30, 2017

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
<b>General Fund:</b>				
Certificate of deposit	(A)	12/24/17	0.10%	\$ 45,545
Certificate of deposit	(A)	03/09/18	0.30%	<u>173,446</u>
Total General Fund				<u>218,991</u>
<b>Special Revenue Funds:</b>				
1996 Sales Tax Fund:				
Road Repair checking account	(A)	N/A	Variable	<u>15,406</u>
<b>Utility Fund:</b>				
Restricted assets -				
Certificate of deposit	(S)	01/16/18	0.55%	27,889
Savings accounts	(A)	N/A	Variable	<u>108,506</u>
Total Utility Fund				<u>136,395</u>
Total - all funds				<u>\$370,792</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 61,584	\$ 76,884
Receivables:		
Accounts receivable	88,409	107,491
Other	40,042	-
Due from other funds	35,989	35,989
Prepaid items	4,567	-
Total current assets	<u>230,591</u>	<u>220,364</u>
Noncurrent assets:		
Restricted assets:		
Cash	95,842	145,893
Interest -bearing deposits, at cost	136,395	82,347
Capital assets:		
Land and construction in progress	415,710	15,292
Other capital assets, net	<u>4,002,698</u>	<u>4,137,727</u>
Total noncurrent assets	<u>4,650,645</u>	<u>4,381,259</u>
Total assets	<u>4,881,236</u>	<u>4,601,623</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	84,182	95,891
Other liabilities	1,513	1,296
Retainage payable	40,042	-
Lease payable	53,964	-
Due to other governments	-	3,578
Payable from restricted assets -		
Revenue bonds	51,000	50,000
Accrued interest	<u>2,009</u>	<u>2,315</u>
Total current liabilities	<u>232,710</u>	<u>153,080</u>
Noncurrent liabilities:		
Customers' deposits	161,025	156,422
Lease payable	313,417	-
Revenue bonds	<u>277,000</u>	<u>328,000</u>
Total noncurrent liabilities	<u>751,442</u>	<u>484,422</u>
Total liabilities	<u>984,152</u>	<u>637,502</u>
<b>NET POSITION</b>		
Net investment in capital assets	3,774,027	3,825,019
Restricted for debt service	18,203	19,503
Unrestricted	<u>104,854</u>	<u>119,599</u>
Total net position	<u>\$3,897,084</u>	<u>\$3,964,121</u>

TOWN OF PORT BARRE, LOUISIANA

Enterprise Fund

Utility Fund

Comparative Departmental Analysis of Revenues and Expenses  
For the Years Ended September 30, 2017 and 2016

	Totals		Gas	
	2017	2016	2017	2016
Operating revenues:				
Charges for services -				
User charges	\$ 991,911	\$ 971,896	\$ 213,298	\$ 217,468
Connection charges	7,123	6,960	600	-
Miscellaneous	39,122	29,310	8,831	6,448
Total operating revenues	<u>1,038,156</u>	<u>1,008,166</u>	<u>222,729</u>	<u>223,916</u>
Operating expenses:				
Professional fees	12,355	14,499	-	-
Engineering fees	1,192	10,932	4,962	1,200
Depreciation	176,176	169,980	12,159	12,207
Electricity	71,520	78,044	-	-
Natural gas purchased	62,479	46,937	62,479	46,937
Insurance	138,390	172,773	29,062	38,253
Group insurance	38,903	30,291	9,726	9,087
Office supplies and expense	25,324	17,527	-	-
Operative maintenance and supplies	130,025	90,328	14,817	12,978
Payroll taxes	14,131	12,481	4,741	4,673
Salaries	186,148	169,087	61,429	55,799
Truck expenses	19,296	24,322	-	-
Water and sewer chemicals	116,712	150,686	-	-
Telephone	29,198	30,251	-	-
Bad debts expense (recoveries)	1,931	(617)	579	(185)
Uniforms	3,006	3,274	-	-
Miscellaneous	29,886	33,191	13,142	14,478
Allocation of general and administrative expenses	-	-	26,372	27,059
Total operating expenses	<u>1,056,672</u>	<u>1,053,986</u>	<u>239,468</u>	<u>222,486</u>
Operating income (loss)	<u>(18,516)</u>	<u>(45,820)</u>	<u>\$ (16,739)</u>	<u>\$ 1,430</u>
Nonoperating revenues (expenses):				
Interest income	263	283		
Interest expense	(25,228)	(10,661)		
Debt issuance costs	(19,819)	-		
Total nonoperating revenues (expenses)	<u>(44,784)</u>	<u>(10,378)</u>		
Loss before transfers	<u>(63,300)</u>	<u>(56,198)</u>		
Other financing sources (uses):				
Transfers from 1966 Sales Tax Fund	130,000	150,000		
Transfers to General Fund	(133,737)	(223,486)		
Total other financing sources (uses)	<u>(3,737)</u>	<u>(73,486)</u>		
Change in net position	(67,037)	(129,684)		
Net position, beginning	3,964,121	4,093,805		
Net position, ending	<u>\$ 3,897,084</u>	<u>\$ 3,964,121</u>		

Water		Sewerage		General and Administrative	
2017	2016	2017	2016	2017	2016
\$ 511,284	\$ 498,702	\$ 267,329	\$ 255,726	\$ -	\$ -
5,923	5,160	600	1,800	-	-
18,936	15,534	11,355	7,328	-	-
<u>536,143</u>	<u>519,396</u>	<u>279,284</u>	<u>264,854</u>	-	-
-	-	-	-	12,355	14,499
(3,770)	8,332	-	1,400	-	-
62,952	56,426	101,065	101,347	-	-
33,978	32,766	35,122	42,249	2,420	3,029
-	-	-	-	-	-
45,668	60,111	34,598	45,539	29,062	28,870
19,451	13,631	9,726	7,573	-	-
-	-	-	-	25,324	17,527
21,528	24,202	86,317	48,900	7,363	4,248
5,886	4,894	3,504	2,914	-	-
78,182	71,016	46,537	42,272	-	-
-	-	-	-	19,296	24,322
112,426	139,871	4,286	10,815	-	-
1,150	1,704	3,067	4,057	24,981	24,490
869	(278)	483	(154)	-	-
-	-	-	-	3,006	3,274
4,916	4,797	10,055	11,182	1,773	2,734
<u>65,301</u>	<u>65,186</u>	<u>33,907</u>	<u>30,748</u>	<u>(125,580)</u>	<u>(122,993)</u>
<u>448,537</u>	<u>482,658</u>	<u>368,667</u>	<u>348,842</u>	-	-
<u>\$ 87,606</u>	<u>\$ 36,738</u>	<u>\$ (89,383)</u>	<u>\$ (83,988)</u>	<u>\$ -</u>	<u>\$ -</u>

**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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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

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\* A Professional Accounting Corporation

The Honorable Gilfred Savoy, Jr., 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, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated February 16, 2018.

### 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 2017-001(IC) through 2017-002(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 2017-003(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  
February 16, 2018

TOWN OF PORT BARRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
September 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (9/30/2017) --</u>						
<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
<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.	No	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

(continued)

TOWN OF PORT BARRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
September 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (9/30/2017) (Continued)--</u>						
<u>Management Letter:</u>						
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.	No	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
<u>PRIOR YEAR (9/30/2016) --</u>						
<u>Internal Control:</u>						
2016-001(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
2016-002(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

(continued)

TOWN OF PORT BARRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
September 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (9/30/2016) (Continued) --						
2016-003(IC)	2016	During the period of approximately October 2015 through May 2016, an employee of the Town of Port Barre, Nichole Duff, misappropriated police department appearance bond fees and citation collections in the amount of \$19,747. Ms. Duff worked in the traffic division of the Police Department as a traffic ticket clerk. On May 17, 2016, charges were filed against Ms. Duff and she was terminated on May 27, 2016. The theft occurred and was not timely detected since management did not properly monitor the employee's activities and there were inadequate controls over the collection of citation and appearance bonds. Additionally, management did not properly monitor financial revenue trends. The Sheriff, the District Attorney, and the Legislative Auditor's office have been notified. The Sheriff Department completed its criminal investigation and an arrest was made on September 12, 2016. As of the date of the auditor's report, Ms. Duff is awaiting due process. No restitution has been made, however an insurance claim has been filed in January 2017.	No	Management has conducted an investigation and review of the collection and deposit of appearance bond fees and citations. Changes to several procedures, such as proper safe keeping of a police department collection log, recording of issued citations, documentation of reduced fines, and stricter review of revenues, have been implemented to ensure that all collections are properly deposited and reported.	Toria Comeaux, Town Clerk	Immediately
<u>Management Letter:</u>						
2016-004(ML)	2000	During the fiscal year ended September 30, 2016, the Utility Fund sewerage department experienced an operating loss of \$83,988. Management should consider increasing rates and/or decreasing expenses in order for this department to operate on a profitable basis.	No	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 the department to operate on a profitable basis in the future.	Toria Comeaux, Town Clerk	9/30/2016

(continued)

TOWN OF PORT BARRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
September 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (9/30/16) (Continued) --						
2016-005(ML)	2011	The Town should prepare a monthly and fiscal year computation of the percentage of water loss. The Town should determine the reasons for any loss percentages which are in excess of expected percentages and determine ways to reduce the percentage by appropriately billing for water usage or correcting situations causing the excessive water losses.	No	Management will prepare computations of the water loss percentage on a monthly and fiscal year basis. The utility department staff will assess the water system to determine ways to reduce the percentage by appropriately billing for unbilled water usage or correcting situations causing excessive water losses.	Toria Comeaux, Town Clerk	9/30/2016
2016-006(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

[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

The Honorable Gilfred Savoy, Jr., 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, 2017 we noted areas in which improvements in the accounting system and financial practices of the Town may be desirable. Items #1 and #2 were also included in our management letter dated January 27, 2017 applicable to our audit of the basic financial statements for the year ended September 30, 2017, but are mentioned again for re-emphasis.

- (1) The Utility Fund gas and sewerage department experienced an operating loss of \$16,739 and \$89,393, respectively. Management should consider increasing rates and /or decreasing expenses in order for these departments to operate on a profitable basis.
- (2) 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.
- (3) 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.

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  
February 16, 2018

**TOWN OF PORT BARRE, LOUISIANA**

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

Year Ended September 30, 2017

# KOLDER, SLAVEN & COMPANY, LLC

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

WWW.KCSRCPAS.COM

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 management of the Town of Port Barre (Town) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Town's compliance with certain laws, regulations and best practices during the year ended September 30, 2017. Management of the Town is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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

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

*There were no exceptions noted as a result of applying this procedure.*

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

*Written policies and procedures were obtained and address the functions noted above except for how vendors are added to the vendor list.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

- 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.

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

---

- 2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

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

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

*Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes did not include or reference monthly budget-to-actual comparisons for the major funds for any of the 12 months examined.*

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

*Review of budget to actual comparisons did not disclose deficit spending during the fiscal period.*

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

*Obtained and reviewed the minutes of the managing board for the fiscal period noting that minutes referenced or included non-budgetary financial information for at least one meeting during the fiscal period.*

### ***Bank Reconciliations***

---

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

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

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

- a) Bank reconciliations have been prepared;

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

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

*Obtained bank statements and reconciliations for all months in the fiscal period, noting evidence of board member review not present for any of the months for each of the seven accounts selected.*

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

*Obtained bank statements and reconciliations for all months in the fiscal period, noting management's documentation of research for items that have been outstanding for more than 6 months not present on two of seven accounts examined.*

### ***Collections***

---

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

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

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

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

*There were no exceptions noted as a result of applying this procedure.*

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

*In each of the three of the locations selected, there is a formal process to reconcile cash collections to the general ledger by revenue source, by a person who is not responsible for cash collections.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection; report the number of days from receipt to deposit for each day at each collection location.

*The highest (dollar) week of cash collections for each location was obtained along with collection documentation, deposit slips, and bank statements.*

*In one of three locations selected for testing, one day of cash collections was held for two days prior to making a bank deposit.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*In all locations, there is no process specifically defined to determine the completeness of all collections by a person who is not responsible for collections.*

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

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

*Listing of disbursements and management's representation that the listing is complete were obtained.*

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

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*The entity does not have written documentation that addresses the function above.*

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

*The entity does not have written documentation that addresses the function above.*

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

*Inquiry of management indicated that unused check stock is maintained in a locked location.*

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

*No signature stamp or signature machine is used.*

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

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

*Listing of active credit cards, bank debit cards, fuel cards and name of person who maintain possession of cards and management's representation that the listing is complete were obtained.*

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

*10 cards were randomly selected from the listing.*

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

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

*Review and approval, in writing, by someone other than the cardholder was not present for any of the ten credit cards selected for testing.*

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

*Three of the ten credit cards selected for testing had finance charges and/or late fees assessed.*

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

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

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

*One of the ten credit cards selected for testing had one transaction that was not supported by an original itemized receipt. Two of the ten credit cards selected for testing had three transactions that were not supported by an original itemized receipt.*

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

*There were no exceptions noted as a result of the testing of credit card transactions.*

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

*Three of the ten credit cards did not have a purchase order attached to the transaction.*

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

*There were no exceptions noted as a result of the testing of transaction details to the entity's written purchasing/department policies. There were no transactions noted that would have been subject to Louisiana Public Bid Law.*

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

*There were no exceptions noted as a result of the testing of credit card transactions.*

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

---

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

*Listing of travel and expense reimbursements by person and management's representation that the listing is complete were obtained.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

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

*There were no exceptions noted as a result of applying this procedure.*

- b) Report whether each expense is supported by:

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

### ***Contracts***

---

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

*Listing of all contracts in effect and management's representation that the listing is complete were obtained.*

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

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

*No exceptions were noted as a result of applying this procedure.*

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

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

*There were no instances of noncompliance noted as a result of applying this procedure.*

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

*There were no instances of noncompliance noted as a result of applying this procedure.*

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

*There were no amended contracts.*

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

*There were no instances of noncompliance noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

### **Payroll and Personnel**

---

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

*Listing of employees with their related salaries and management's representation that the listing is complete were obtained.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

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

*Ethics documentation was not present for any of the five employees selected for testing.*

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

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

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

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

*There were no exceptions noted as a result of applying this procedure.*

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

*All scheduled debt service payments were made and debt reserves were maintained as required by debt covenants.*

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

*The Town does not have tax millages relating to debt service.*

### ***Other***

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

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

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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  
February 16, 2018