

**Vinton Harbor and Terminal District  
Vinton, Louisiana  
Financial Report  
For the Year Ended December 31, 2020**

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# Langley, Williams & Company, L.L.C.

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Vinton Harbor and Terminal District  
Vinton, Louisiana

We have audited the accompanying financial statements of the governmental activities of Vinton Harbor and Terminal District, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Vinton Harbor and Terminal District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 respective financial position of the governmental activities of the Vinton Harbor and Terminal District of as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Vinton Harbor and Terminal District**

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**Other Matters**

*Required Supplementary Information*

The District 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, economical, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financials 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The schedules of compensation paid board members and compensation, benefits and other payments to agency head is presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, on our consideration of the District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

This report is intended solely for the information and use of management, and Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Joy & Wilkins Co., P.C.*

Lake Charles, Louisiana  
June 28, 2021

**Vinton Harbor and Terminal District  
Vinton, Louisiana**

**STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
December 31, 2020**

**ASSETS**

Cash and cash equivalents	\$ 180,537
Investments	507,409
Ad valorem tax receivable, net of allowance for doubtful accounts \$3,058	149,849
Intergovernmental receivable	18,513
Other receivables	45,429
Land and other capital assets not being depreciated	1,580,927
Capital assets, net of accumulated depreciation	670,299
Prepaid insurance	6,650
Restricted cash	60,743
	<hr/>
Total assets	3,220,356

**LIABILITIES**

Accounts payable	13,152
Accrued interest payable	4,021
Payroll taxes payable	205
Ad valorem pension payable	4,651
Deferred revenues	37,032
Long-term liabilities:	
Bond payable--	
Portion due within one year	80,000
Portion due after one year	650,000
	<hr/>
Total liabilities	789,061

**NET POSITION**

Net investment in capital assets	2,251,226
Restricted for debt service	60,743
Unrestricted	119,326
	<hr/>
Total net position	<u>\$ 2,431,295</u>

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

**Vinton Harbor and Terminal District  
Vinton, Louisiana**

**STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES  
For the Year Ended December 31, 2020**

Function/Program	Expenses	Program Revenues			Governmental Activities - Net (Expenses) Revenues and Changes in Net Position
		Fees and Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Governmental activities:					
General government	\$ 180,808	\$ -	\$ -	\$ -	\$ (180,808)
Interest on long-term debt	25,354	-	-	-	(25,354)
Total Government Activities	\$ 206,162	\$ -	\$ -	\$ -	(206,162)
General revenues:					
Ad valorem taxes					143,654
State revenue sharing					3,333
Rental income					125,755
Royalty income					18,585
Dirt income					82,004
Interest income					3,951
Investment earnings					3,462
Other income					168
		Total general revenues			380,912
					174,750
					Change in net position
					2,256,545
					\$ 2,431,295

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

**Vinton Harbor and Terminal District  
Vinton , Louisiana**

**GOVERNMENTAL FUND - BALANCE SHEET  
December 31, 2020**

	General Fund
<u>ASSETS</u>	
Cash and cash equivalents	\$ 180,537
Investments	507,409
Ad valorem tax receivable, net of allowance for doubtful accounts \$3,058	149,849
Intergovernmental receivable	18,513
Other receivable	45,429
Prepaid insurance	6,650
Restricted cash	60,743
Total assets	\$ 969,130
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts payable	\$ 13,152
Payroll taxes payable	205
Ad valorem pension payable	4,651
Deferred revenues	37,032
Total liabilities	55,040
Fund balance:	
Restricted for debt service	60,743
Unassigned	853,347
Total fund balance	914,090
Total liabilities and fund balance	\$ 969,130

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

**Vinton Harbor and Terminal District  
Vinton, Louisiana**

**RECONCILIATION OF FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION  
December 31, 2020**

FUND BALANCE OF GOVERNMENTAL FUNDS \$ 914,090

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, not reported in the funds:

Land	\$ 1,580,927	
Cost of capital assets	1,127,770	
Less - accumulated depreciation	<u>(457,471)</u>	2,251,226

Revenues in the statement of activities that are not available in governmental funds are not reported as revenues in governmental funds:

Interest payable on long-term liabilities is not accrued in governmental funds; rather, it is recognized as an expenditure when paid. These liabilities are reported in the statement of Net Position. (4,021)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the current period and, therefore are not reported in the governmental funds. (730,000)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,431,295

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



**Vinton Harbor and Terminal District  
Vinton, Louisiana**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUND  
For the Year Ended December 31, 2020**

	General Fund
Revenue:	
Ad valorem taxes	\$ 143,654
State revenue sharing	3,333
Rental income	125,755
Royalty income	18,585
Dirt income	82,004
Interest income	3,951
Investment earnings	3,462
Other income	168
Total revenues	380,912
Expenditures:	
Current:	
Governmental	
Advertising	1,241
Attorney fees	2,987
Auditing	6,200
Bank charges	37
Box rent	194
Contract work	39,228
Dues	1,625
Engineering fees	38,475
Insurance	21,403
Material and supplies	450
Office supplies	369
Per diem	5,940
Repairs and maintenance	5,519
Secretarial wages	18,300
Sheriff pension	4,651
Taxes - payroll	1,865
Telephone expense	720
Travel	812
Trustee fee	600
Capital outlay	-
Debt service:	
Bond principal payment	80,000
Bond interest expense	25,795
Total expenditures	256,411
Net change in fund balance	124,501
Fund balance at beginning of year	789,589
Fund balance at end of year	\$ 914,090

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

**Vinton Harbor and Terminal District  
Vinton, Louisiana**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2020**

Total net change in fund balance - governmental funds	\$	124,501
<p>Amounts reported for governmental activities in the Statement of Activities are 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. This is the amount by which capital outlays exceed depreciation expense in the current period.</p>		
Capital outlay	\$	-
Depreciation expense	<u>(30,191)</u>	(30,191)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		80,000
Interest on long-term debt attributable to periods beyond the current year are not reported as current year expenses in the Statement of Activities.		<u>440</u>
Change in net position of governmental activities	\$	<u><u>174,750</u></u>

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

## *Notes to the Financial Statements*

**Vinton Harbor and Terminal District**  
**Vinton, Louisiana**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**INTRODUCTION**

The Vinton Harbor and Terminal District (“District”) is a political subdivision of the State of Louisiana and was created in 1956 by Act No. 466 as an amendment to Chapter 1 of Title 34 of the Louisiana Revised Statutes of 1950. The District was created to regulate the commerce and traffic within the confines of Ward Seven of the parish of Calcasieu, State of Louisiana. The governing authority of the District is a board of commissioners, consisting of five members. The initial commissioners were appointed as follows:

1. Three members were appointed by the mayor and town council of the Town of Vinton, Louisiana.
2. Two members were appointed by the police jury of the parish of Calcasieu, State of Louisiana.

Upon expiration of the initial commissioners’ terms, any vacancy is to be filled by the board of commissioners, for the term of five years, from a panel of names submitted to them as follows:

Two names to be submitted by each of the following:

1. The governing authority of the Town of Vinton, Louisiana.
2. The police jury of the parish of Calcasieu, State of Louisiana.

The commissioners are compensated on a per diem basis for meetings attended.

The District is responsible for operating and maintaining a harbor and terminal on the Vinton Navigation Canal located in Ward Seven of the parish of Calcasieu, State of Louisiana. Within this area, the District also leases a building and land to various tenants.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

*Government-Wide Financial Statements*

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

**Vinton Harbor and Terminal District**  
**Vinton, Louisiana**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**Basis of Presentation – (Continued)**

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

*Governmental Fund Financial Statements*

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District’s functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are classified into one category, governmental fund. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

**Basis of Accounting/Measurement Focus**

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District’s operations.

The amounts reflected in the governmental fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The government-wide financial statements are accounted for using an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

**Vinton Harbor and Terminal District**  
**Vinton, Louisiana**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

The government-wide financial statements 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. The governmental funds use the following practices in recording revenues and expenditures:

*Revenues*

Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis, become due on November 15 of each year, and become delinquent by December 31. The taxes are normally collected in December, January, and February of the fiscal year. Rental, royalty, dirt sales and fees, charges, and commissions for services are recorded when the District is entitled to the funds. Interest income on deposits is recorded when interest is earned. Substantially all other revenues are recorded when received.

*Expenditures*

The District's primary expenditures include salaries, contract services, engineering fees, supplies and insurance, which are recorded when the liability is incurred. Capital expenditures and purchase of various operating supplies are regarded as expenditures at the time purchased.

The General Fund is the District's operating fund. It accounts for all financial resources of the District.

**Cash and cash equivalents**

Cash and cash equivalents include amounts in demand deposits with an original maturity of three months or less.

**Receivables**

Receivables consist of all revenues earned at year-end and not yet received. Receivables are reported net of allowance for uncollectible accounts and revenues net of uncollectibles. Uncollectible amounts due for ad valorem taxes are recognized as uncollectible using the allowance method. The allowance for uncollectible accounts at December 31, 2020 was \$3,058.

**Investments**

Louisiana state statutes, as stipulated in R.S. 39:1271, authorize the District to invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana. The state statutes also authorize the District to invest in any other federally insured investment, or in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies. In addition, the District is authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by the initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investing is performed in accordance with investment policies complying with State Statutes and those adopted by the Board of Commissioners.

Investments, which include U.S. Government agencies and deposits in LAMP, are stated at fair market value.

**Vinton Harbor and Terminal District**  
**Vinton, Louisiana**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**Capital Assets**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The District maintains a threshold level of \$1,500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and building improvements	10 - 40 years
Equipment	7 - 20 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**Restricted Cash**

Certain debt proceeds of the District, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants and they are maintained in separate bank accounts.

**Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of fund net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Vinton Harbor and Terminal District**  
**Vinton, Louisiana**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**Equity Classification**

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of assets with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

**Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- b. Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District board. The District board is the highest level of decision-making authority for the District. These amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- d. Assigned: This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed.
- e. Unassigned: includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. Only the District board may assign amounts for specific purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first.



**Vinton Harbor and Terminal District**  
**Vinton, Louisiana**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

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

**Budget Practices**

1. The proposed budget is prepared and submitted to the Advisory Board for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. The proposed budget is made available for public inspection.
3. The budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board.

**Estimates**

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

**Compensated Absences**

Compensated absences for sick and personal time have not been accrued since they cannot be reasonably estimated. The District policy is to recognize cost when actually paid.

**Date of Management’s Review of Subsequent Events**

Subsequent events were evaluated through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

**Recently Issued Accounting Pronouncements**

In June 2017, GASB issued Statement No. 87, “Leases.” The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. GASB Statement 95 has postponed the effective date by eighteen months in light of COVID-19 pandemic. The provisions of GASB Statement No. 87 and 95 are effective for fiscal years beginning after June 15, 2021. The effect of implementation on the Community Center’s financial statements has not yet been determined.

**Vinton Harbor and Terminal District**  
**Vinton, Louisiana**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2020, the District has cash and cash equivalents (book balances) totaling \$180,537.

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

At December 31, 2020, the District has \$243,869 in deposits (collected bank balances). These deposits are secured from risk by up to \$250,000 of federal deposit insurance.

**NOTE 3 - INVESTMENTS**

Deposits held by LAMP at December 31, 2020, consist of \$507,409 in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Statement No. 3, the investment in LAMP is not categorized in the three risk categories provided by GASB Statement No. 3 because the investments are in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administrated by LAMP, Inc., a non-profit corporation organized under the laws of the state of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

**Vinton Harbor and Terminal District  
Vinton, Louisiana  
December 31, 2020  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – INVESTMENTS – (Continued)**

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP’s total investments is (NUMBER- days) (from LAMP’s monthly Portfolio Holdings) as of (DATE – month-end).
- Foreign currency risk: Not applicable.

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

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

At December 31, 2020, the weighted-average yield on the deposits at LAMP, was 0.0925% and the weighted-average maturity was less than 60 days. LAMP is rated AAAM with Standard and Poor’s.

**NOTE 4 - AD VALOREM TAXES**

Accounting principles generally accepted in the United States of America for government prescribe a modified accrual basis to be applied to property tax revenues. An assessment is made to finance the budget of a particular period and the revenue produced from any property tax assessment should be recognized in the fiscal period for which it was provided (budgeted) and for which the collections are reasonably available.

For the year ended December 31, 2020, taxes of 2.35 mills were levied on property with assesses valuation totaling approximately \$63,189,153. Total taxes levied for the year ended December 31, 2020 were \$148,494.

Expected collections and collections of the 2020 levy are accrued as receivable and as revenue in the current year (2020). For budget purposes, property taxes collected in 2020 are designated as revenue appropriable in the 2020 budget year.

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date	Tax Amount
Bond	2.50	2.35	Perpetual	\$ 148,494
	2.50	2.35		\$ 148,494

During the year, the tax assessor made adjustments to previous year taxpayer valuations and wrote off a total of \$4,233 worth of taxes. This amount was net against current year ad valorem taxes along with \$233 worth of prior year tax refunds. The District also made a \$144 decrease adjustment to their allowance for uncollectible taxes that management deemed necessary.

**Vinton Harbor and Terminal District**  
**Vinton, Louisiana**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - AD VALOREM TAXES – (Continued)**

The parish bills and collects its property taxes using the assessed values determined by the Calcasieu Parish Tax Assessor.

**NOTE 5 - CAPITAL ASSET**

Capital assets and depreciation activity as of and for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,580,927	\$ -	\$ -	\$ 1,580,927
Total capital assets not being depreciated	<u>\$ 1,580,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,580,927</u>
Capital assets being depreciated:				
Building and building improvements	\$ 1,103,899	\$ -	\$ -	\$ 1,103,899
Equipment	23,871	-	-	23,871
Total capital assets being depreciated	<u>1,127,770</u>	<u>-</u>	<u>-</u>	<u>1,127,770</u>
Less accumulated depreciation:				
Buildings and building improvements	417,951	29,118	-	447,069
Equipment	9,329	1,073	-	10,402
Total accumulated depreciation	<u>427,280</u>	<u>30,191</u>	<u>-</u>	<u>457,471</u>
 Total capital assets being depreciated, net	 <u>\$ 700,490</u>	 <u>\$ (30,191)</u>	 <u>\$ -</u>	 <u>\$ 670,299</u>

Depreciation expense for the year ended December 31, 2020, was charged to governmental activities in the amount of \$30,191.

**NOTE 6 – RESTRICTED CASH**

The District maintains a sinking fund reserve bank account with a balance of \$60,743 as of December 31, 2020 which is controlled by Merchant and Farmers Bank. See note 7 for more details.

**Vinton Harbor and Terminal District**  
**Vinton, Louisiana**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – BONDS PAYABLE**

**A. Debt Outstanding**

The following is a summary of the debt transactions of the District for the year ended December 31, 2020:

Bonds payable, December 31, 2019	\$ 810,000
Bonds repaid	(80,000)
Bonds issued	-
Bonds payable, December 31, 2020	<u>\$ 730,000</u>

Debt payable at December 31, 2020 is comprised of the following:

\$1,250,000 Revenue bonds dated May 16, 2013, due in annual installments of \$65,000 - \$100,000 through May 1, 2028, interest at 3.5%	<u>\$ 730,000</u>
--	-------------------

**B. Debt Service Requirement to Maturity**

The annual requirements, including interest, to amortize the bonds outstanding as of December 31, 2020 are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>
2021	\$ 85,000	\$ 23,031
2022	\$ 85,000	\$ 20,184
2023	\$ 90,000	\$ 17,253
2024	\$ 90,000	\$ 14,238
2025	\$ 90,000	\$ 11,223
2026-2028	\$ 290,000	\$ 14,740

**C. Sinking Fund Requirement**

The Bond requires the District to make monthly deposits into sinking fund. The payments are to be made on or before the 20<sup>th</sup> calendar day of each month commencing May 20, 2013, a sum equal to one-sixth (1/6) of the interest on the Bond due on the next Interest Payment Date, and one-twelfth (1/12) of the principal of the Bond due on the next maturity date. The balance of the sinking fund at December 31, 2020 is \$60,743.

**NOTE 8 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**Vinton Harbor and Terminal District**  
**Vinton, Louisiana**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - LEASE AGREEMENTS**

*Acreage Lease*

The District is in its second 10-year term of a 75-acre lease effective August 1, 2006. The lease has three 10-year renewals left according to original lease. Rent per year for all 75 acres is \$63,483. Attached to this lease are two options to lease additional acres for \$3,844 a year with the same renewal terms. Future minimum payments to be received as of December 31, 2020 are as follows:

Year Ending December 31,	Amount
2021	\$ 67,327
2022	\$ 67,327
2023	\$ 67,327
2024	\$ 67,327
2025	\$ 67,327
Thereafter	\$ 39,275

The District leases 40-acres of land to a tenant for a three-year term starting January 1, 2017. Minimum base rent for year one was \$6,500 and years two and three are \$3,500. In addition to the minimum base rent the District receives a twenty-two percent lessor royalty. For the year ended December 31, 2020 total base rent and royalty income was \$18,585.

*Building Lease*

The District leases a building to a tenant for a five-year term starting January 1, 2014. This lease expired on December 31, 2018, with the lessee exercising their option to extend the lease for the first of the two 5-year renewal options. Minimum base rent under the renewal is \$3,450 a month for the next 60 months. Total rental income for 2020 was \$41,396. After two years from date of commencement of this lease, either party may terminate the lease with a six-month written notice. Future minimum payments to be received as of December 31, 2020 are as follows:

Year Ending December 31,	Amount
2021	\$ 41,400
2022	41,400
2023	41,400
	\$ 124,200

**Vinton Harbor and Terminal District**  
**Vinton, Louisiana**  
**December 31, 2020**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 - CONCENTRATION**

The District derives the majority of its rental income from two tenants and is subject to any economic factors that might influence these tenants.

**NOTE 11 - CASUALTY LOSS**

The District was impacted by Hurricanes Laura and Delta when they made landfall in August and October 2020, respectively. As a result, the District sustained damages to their property and equipment. The District has filed a claim with their insurance carrier, but as of December 31, 2020 they have not collected any proceeds. In 2021, the District received \$215,195 in insurance proceeds that will go to offset any future repairs. The District plans to make a supplemental claim for additional insurance proceeds relating to these hurricane claims.

**NOTE 12 - SUBSEQUENT EVENTS**

Management of the District has evaluated its December 31, 2020 financial statements for subsequent events through the date of the independent auditors' report, the date the financial statements were available to be issued. Except for the item above, management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

***Required Supplemental Information***



**Vinton Harbor and Terminal District  
Vinton, Louisiana**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND  
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended December 31, 2020**

	BUDGET		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenue:</b>				
Ad valorem taxes	\$ 140,000	\$ 145,000	\$ 143,654	\$ (1,346)
State revenue sharing	2,500	2,500	3,333	833
Rental income	109,796	109,796	125,755	15,959
Royalty income	-	18,550	18,585	35
Dirt income	-	54,500	82,004	27,504
Interest	2,400	2,900	3,951	1,051
Investment earnings	10,000	3,200	3,462	262
Other income	1,000	150	168	18
Total revenues	<u>265,696</u>	<u>336,596</u>	<u>380,912</u>	<u>44,316</u>
<b>Expenditures:</b>				
<b>Governmental</b>				
Advertising	1,000	1,000	1,241	(241)
Attorney fees	2,500	3,000	2,987	13
Auditing	5,850	5,850	6,200	(350)
Bank Charges	200	200	37	163
Box rent	180	194	194	-
Contract work	25,000	45,250	39,228	6,022
Dues	4,500	2,000	1,625	375
Engineering fees	25,000	32,500	38,475	(5,975)
Insurance	16,500	16,500	21,403	(4,903)
Material and supplies	-	-	450	(450)
Office supplies	250	250	369	(119)
Per diem	5,460	5,460	5,940	(480)
Postage	100	100	-	100
Registration expense	1,500	1,500	-	1,500
Repairs and maintenance	10,000	5,000	5,519	(519)
Secretarial service	14,000	14,200	18,300	(4,100)
Sheriff Pension	-	-	4,651	(4,651)
Supplies	2,000	800	-	800
Taxes - payroll	6,940	6,575	1,865	4,710

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

**Vinton Harbor and Terminal District  
Vinton, Louisiana**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND  
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended December 31, 2020**

	BUDGET		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures:				
Governmental - (Continued)				
Telephone	720	720	720	-
Travel	5,000	1,000	812	188
Trustee fee	600	600	600	-
Uniforms	500	500	-	500
Capital outlay	-	-	-	-
Debt service:				
Bond principal payment	80,000	80,000	80,000	-
Bond interest	28,000	28,000	25,795	2,205
Total expenditures	<u>235,800</u>	<u>251,199</u>	<u>256,411</u>	<u>(5,212)</u>
Net change in fund balance	29,896	85,397	124,501	39,104
Fund balance at beginning of year	<u>953,737</u>	<u>789,589</u>	<u>789,589</u>	<u>-</u>
Fund balance at end of year	<u>\$ 983,633</u>	<u>\$ 874,986</u>	<u>\$ 914,090</u>	<u>\$ 39,104</u>

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

## *Other Supplemental Information*

**Vinton Harbor and Terminal District**  
**Vinton, Louisiana**  
**December 31, 2020**

**COMPENSATION PAID BOARD MEMBERS**

The schedule of compensation paid to the Vinton Harbor and Terminal District members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Vinton Harbor and Terminal District members is included in the general administrative expenditures of the General Fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 34:334.12. This was amended by House Bill No. 1656 to allow the commissioners to receive up to \$70 per diem for each regular and special meeting attended, to a maximum of twelve meetings per year. The president shall be paid \$250 for each regular and special meeting attended, to a maximum of twelve meetings per year.

Schedule of Compensation Paid Board Members  
For the Year Ended December 31, 2020

<u>BOARD MEMBER</u>	<u>PER DIEM AMOUNT</u>
Charles Broussard	\$ 630
Alexis Morrow, Jr.	770
Steven Jennings	770
Jerry Merchant	3,000
Haley Bellard	770
Total	<u>\$ 5,940</u>

Vinton Harbor and Terminal District  
Vinton, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD  
For the Year Ended December 31, 2020**

Agency Head Name: Jerry Merchant

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 0
Benefits	0
Meals	0
Mileage reimbursement	0
Per Diem	3,000
Telephone	720
Travel	812
Other	0
	<u>\$ 4,532</u>



# Langley, Williams & Company, L.L.C.

## CERTIFIED PUBLIC ACCOUNTANTS

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LAKE CHARLES, LOUISIANA 70606-4690  
205 W. COLLEGE STREET  
LAKE CHARLES, LOUISIANA 70605-1625  
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LESTER LANGLEY, JR.  
DANNY L. WILLIAMS  
PHILLIP D. ABSHIRE, JR.  
DAPHNE BORDELON BERKEN  
PHILLIP D. ABSHIRE, III  
NICHOLAS J. LANGLEY  
ALEXIS H. O'NEAL  
SARAH CLARK WERNER

## 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*

Board of Commissioners  
Vinton Harbor and Terminal District  
Vinton, 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 Vinton Harbor and Terminal District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise of the District's basic financial statements and have issued our report thereon dated June 28, 2021.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. The deficiencies are identified as 20-01(IC).

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Vinton Harbor and Terminal District Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District'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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the District, the District's management, the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

*Joseph Williams, Co., P.C.*

Lake Charles, Louisiana  
June 28, 2021

VINTON HARBOR AND TERMINAL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2020

**Section I - Summary of Audit Results**

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No



VINTON HARBOR AND TERMINAL DISTRICT

SUMMARY OF SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT FINDINGS  
AND CORRECTIVE ACTION PLAN

**Current year – 12/31/2020**

Internal Control:

20-01 (IC) – Segregation of Duties

**Criteria:** Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

**Condition:** All accounting duties are performed by one employee.

**Cause:** Limited number of employees due to the small size of the District.

**Effect:** Errors or irregularities may not be detected within a timely period.

**Recommendation:** Present all transactions to the board of commissioners at their monthly regular schedule meeting for their review and approval.

**Management's Response and Corrective Action Plan:** It is not feasible to correct this deficiency based on the size of the District. The Board of Directors reviews and approves all checks before distribution and reviews all bank statements for unusual items on a monthly basis.

Compliance:

No compliance issues noted for the current year.

VINTON HARBOR AND TERMINAL DISTRICT

SUMMARY OF SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT FINDINGS  
AND CORRECTIVE ACTION PLAN – (Continued)

**Prior year – 12/31/2019**

Internal Control:

19-01 (IC) – Segregation of Duties

**Criteria:** Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

**Condition:** All accounting duties are performed by one employee.

**Cause:** Limited number of employees due to the small size of the District.

**Effect:** Errors or irregularities may not be detected within a timely period.

**Recommendation:** Present all transactions to the board of commissioners at their monthly regular schedule meeting for their review and approval.

**Management's Response and Corrective Action Plan:** It is not feasible to correct this deficiency based on the size of the District. The Board of Directors reviews and approves all checks before distribution and reviews all bank statements for unusual items on a monthly basis.

Compliance:

19-01 (C) – Budget Preparation

**Criteria:** The District is required to follow the Louisiana Bid Law.

**Condition:** For the year ended December 31, 2020, the District's budgeted revenues exceeded actual revenues by more than 5%. State law requires that actual expenditures fall within 5% of budget.

**Cause:** The District budgeted for higher rental revenues than they actually received.

**Effect:** The District was not in compliance with the Bid Law.

**Recommendation:** That the District review the Louisiana Bid Law annually for any changes. That they monitor all planned revenues, spending and seek guidance from legal council or CPA if necessary.

**Management's Response and Corrective Action Plan:** Management agrees with CPA's recommendation. All board members were given a copy of the Louisiana Bid Law for review. They will monitor all planned expenses carefully and make sure that they are in compliance with the Bid Law.