

TOWN OF PORT BARRE, LOUISIANA

Financial Report

Year Ended September 30, 2016

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INDEPENDENT AUDITORS' REPORT

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, 2016, 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 error or fraud.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial 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 error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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 our audit provides a reasonable basis for our 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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Other Information

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

The comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated 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 2015 financial statements , which was 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 and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements from which they have been derived.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2017, 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, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 27, 2017

BASIC FINANCIAL STATEMENTS

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

TOWN OF PORT BARRE, LOUISIANA

Statement of Net Position
September 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 461,010	\$ 76,884	\$ 537,894
Receivables, net	43,164	107,491	150,655
Internal balances	(35,989)	35,989	-
Due from other governmental units	<u>8,171</u>	<u>-</u>	<u>8,171</u>
Total current assets	<u>476,356</u>	<u>220,364</u>	<u>696,720</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	228,240	228,240
Capital assets:			
Land and construction in progress	86,425	15,292	101,717
Other capital assets, net	<u>2,811,673</u>	<u>4,137,727</u>	<u>6,949,400</u>
Total noncurrent assets	<u>2,898,098</u>	<u>4,381,259</u>	<u>7,279,357</u>
Total assets	<u>3,374,454</u>	<u>4,601,623</u>	<u>7,976,077</u>
LIABILITIES			
Current liabilities:			
Accounts, salaries and other payables	10,681	97,187	107,868
Retainage payable	14,579	-	14,579
Due to other governmental units	-	3,578	3,578
Bonds payable	56,000	50,000	106,000
Accrued interest	<u>621</u>	<u>2,315</u>	<u>2,936</u>
Total current liabilities	<u>81,881</u>	<u>153,080</u>	<u>234,961</u>
Noncurrent liabilities:			
Customers' deposits	-	156,422	156,422
Bonds payable	<u>-</u>	<u>328,000</u>	<u>328,000</u>
Total noncurrent liabilities	<u>-</u>	<u>484,422</u>	<u>484,422</u>
Total liabilities	<u>81,881</u>	<u>637,502</u>	<u>719,383</u>
NET POSITION			
Net investment in capital assets	2,827,519	3,825,019	6,652,538
Restricted for sales tax dedication	147,079	-	147,079
Restricted for debt service	40,113	19,503	59,616
Unrestricted	<u>277,862</u>	<u>119,599</u>	<u>397,461</u>
Total net position	<u>\$ 3,292,573</u>	<u>\$ 3,964,121</u>	<u>\$ 7,256,694</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, 2016

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	\$ 233,698	\$ 93,076	\$ -	\$ -	\$ (140,622)	\$ -	\$ (140,622)
Public safety:							
Police	903,505	407,985	57,601	-	(437,919)	-	(437,919)
Streets	366,950	-	-	-	(366,950)	-	(366,950)
Culture and recreation	220,360	66,791	6,850	-	(146,719)	-	(146,719)
Interest on long-term debt	3,941	-	-	-	(3,941)	-	(3,941)
Total governmental activities	<u>1,728,454</u>	<u>567,852</u>	<u>64,451</u>	<u>-</u>	<u>(1,096,151)</u>	<u>-</u>	<u>(1,096,151)</u>
Business-type activities:							
Gas	222,486	223,916	-	-	-	1,430	1,430
Water	482,658	519,396	-	-	-	36,738	36,738
Sewerage	348,842	264,854	-	-	-	(83,988)	(83,988)
Interest on long-term debt	10,661	-	-	-	-	(10,661)	(10,661)
Total business-type activities	<u>1,064,647</u>	<u>1,008,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56,481)</u>	<u>(56,481)</u>
Total	<u>\$ 2,793,101</u>	<u>\$ 1,576,018</u>	<u>\$ 64,451</u>	<u>\$ -</u>	<u>(1,096,151)</u>	<u>(56,481)</u>	<u>(1,152,632)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					77,779	-	77,779
Sales and use taxes, levied for general purposes					621,326	-	621,326
Franchise taxes					84,572	-	84,572
Grants and contributions not restricted to specific programs -							
State sources					59,625	-	59,625
Interest and investment earnings					647	283	930
Miscellaneous					144,362	-	144,362
Transfers					73,486	(73,486)	-
Total general revenues and transfers					<u>1,061,797</u>	<u>(73,203)</u>	<u>988,594</u>
Change in net position					(34,354)	(129,684)	(164,038)
Net position - October 1, 2015					<u>3,326,927</u>	<u>4,093,805</u>	<u>7,420,732</u>
Net position - September 30, 2016					<u>\$ 3,292,573</u>	<u>\$ 3,964,121</u>	<u>\$ 7,256,694</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, 2016

	General	1966 Sales Tax Special Revenue	1996 Sales Tax Special Revenue	1996 Sales Tax Bonds Debt Service	Total
ASSETS					
Cash and interest-bearing deposits	\$ 282,038	\$ 29,791	\$ 108,447	\$ 40,734	\$ 461,010
Receivables:					
Taxes	43,164	-	-	-	43,164
Due from other funds	-	34,051	-	-	34,051
Due from other governmental units	8,171	-	-	-	8,171
Total assets	<u>\$ 333,373</u>	<u>\$ 63,842</u>	<u>\$ 108,447</u>	<u>\$ 40,734</u>	<u>\$ 546,396</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 8,476	\$ 1,175	\$ 1,030	\$ -	\$ 10,681
Retainage payable	-	-	14,579	-	14,579
Due to other funds	61,614	-	8,426	-	70,040
Total liabilities	<u>70,090</u>	<u>1,175</u>	<u>24,035</u>	<u>-</u>	<u>95,300</u>
Fund balances -					
Restricted for debt service	-	-	-	40,734	40,734
Restricted for sales tax dedications	-	62,667	84,412	-	147,079
Unassigned	263,283	-	-	-	263,283
Total fund balances	<u>263,283</u>	<u>62,667</u>	<u>84,412</u>	<u>40,734</u>	<u>451,096</u>
Total liabilities and fund balances	<u>\$ 333,373</u>	<u>\$ 63,842</u>	<u>\$ 108,447</u>	<u>\$ 40,734</u>	<u>\$ 546,396</u>

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

TOWN OF PORT BARRE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2016

Total fund balances for governmental funds at September 30, 2016		\$ 451,096
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 and construction in progress	\$ 86,425	
Buildings, net of \$1,160,729 accumulated depreciation	1,162,106	
Infrastructure, net of \$745,565 accumulated depreciation	1,458,274	
Equipment, net of \$548,035 accumulated depreciation	<u>191,293</u>	2,898,098
Long-term liabilities at September 30, 2016:		
Bonds payable	(56,000)	
Accrued interest	<u>(621)</u>	<u>(56,621)</u>
Total net position of governmental activities at September 30, 2016		<u>\$3,292,573</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, 2016

	General	1966 Sales Tax Special Revenue	1996 Sales Tax Special Revenue	1996 Sales Tax Bonds Debt Service	Total
Revenues:					
Taxes	\$ 159,991	\$ 279,597	\$ 341,729	\$ -	\$ 781,317
Licenses and permits	93,076	-	-	-	93,076
Intergovernmental	119,586	-	-	-	119,586
Fines and forfeits	407,985	-	-	-	407,985
Miscellaneous	218,578	19	53	-	218,650
Total revenues	<u>999,216</u>	<u>279,616</u>	<u>341,782</u>	<u>-</u>	<u>1,620,614</u>
Expenditures:					
Current -					
General government	162,982	11,989	13,109	-	188,080
Public safety:					
Police	859,690	-	-	-	859,690
Highways and streets	-	271,375	37,538	-	308,913
Culture and recreation	169,963	14,164	-	-	184,127
Capital outlay	8,184	-	197,957	-	206,141
Debt service -					
Principal	35,424	-	-	54,000	89,424
Interest and fiscal charges	1,163	-	-	3,376	4,539
Total expenditures	<u>1,237,406</u>	<u>297,528</u>	<u>248,604</u>	<u>57,376</u>	<u>1,840,914</u>
Excess (deficiency) of revenues over expenditures	<u>(238,190)</u>	<u>(17,912)</u>	<u>93,178</u>	<u>(57,376)</u>	<u>(220,300)</u>
Other financing sources (uses):					
Transfers in	223,486	100,000	-	57,161	380,647
Transfers out	-	(150,000)	(157,161)	-	(307,161)
Total other financing sources (uses)	<u>223,486</u>	<u>(50,000)</u>	<u>(157,161)</u>	<u>57,161</u>	<u>73,486</u>
Net changes in fund balances	(14,704)	(67,912)	(63,983)	(215)	(146,814)
Fund balances, beginning	<u>277,987</u>	<u>130,579</u>	<u>148,395</u>	<u>40,949</u>	<u>597,910</u>
Fund balances, ending	<u>\$ 263,283</u>	<u>\$ 62,667</u>	<u>\$ 84,412</u>	<u>\$ 40,734</u>	<u>\$ 451,096</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, 2016

Total net changes in fund balances at September 30, 2016 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (146,814)
The change in net position reported for governmental activities in the statement of activities is different because:		
<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	\$ 206,141	
Depreciation expense for the year ended September 30, 2016	(183,103)	
Loss on disposal of capital assets	<u>(600)</u>	22,438
<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		89,424
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		<u>598</u>
Total changes in net position at September 30, 2016 per Statement of Activities		<u>\$ (34,354)</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, 2016

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash	\$ 76,884
Receivables:	
Accounts receivable	107,491
Due from other funds	<u>35,989</u>
Total current assets	<u>220,364</u>
Noncurrent assets:	
Restricted assets:	
Cash	145,893
Interest -bearing deposits, at cost	82,347
Capital assets:	
Land	15,292
Other capital assets, net of accumulated depreciation	<u>4,137,727</u>
Total noncurrent assets	<u>4,381,259</u>
Total assets	<u>4,601,623</u>
LIABILITIES	
Current liabilities:	
Accounts payable	95,891
Other liabilities	1,296
Due to other governmental units	3,578
Payable from restricted assets -	
Revenue bonds	50,000
Accrued interest	<u>2,315</u>
Total current liabilities	<u>153,080</u>
Noncurrent liabilities:	
Customers' deposits	156,422
Revenue bonds and notes payable	<u>328,000</u>
Total noncurrent liabilities	<u>484,422</u>
Total liabilities	<u>637,502</u>
NET POSITION	
Net investment in capital assets	3,825,019
Restricted for debt service	19,503
Unrestricted	<u>119,599</u>
Total net position	<u>\$ 3,964,121</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, 2016

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 217,468
Water sales	498,702
Sewer service charges	255,726
Connection charges	6,960
Miscellaneous	<u>29,310</u>
Total operating revenues	<u>1,008,166</u>
Operating expenses:	
Gas department	222,486
Water department	482,658
Sewerage department	<u>348,842</u>
Total operating expenses	<u>1,053,986</u>
Operating loss	<u>(45,820)</u>
Nonoperating revenues (expenses):	
Interest income	283
Interest expense	<u>(10,661)</u>
Total nonoperating revenues (expenses)	<u>(10,378)</u>
Loss before transfers	<u>(56,198)</u>
Transfers:	
Transfers in	150,000
Transfers out	<u>(223,486)</u>
Total transfers	<u>(73,486)</u>
Change in net position	(129,684)
Net position, beginning	<u>4,093,805</u>
Net position, ending	<u>\$ 3,964,121</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, 2016

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 988,416
Payments to suppliers	(714,625)
Payments to employees	(211,859)
Other receipts	<u>29,310</u>
Net cash provided by operating activities	<u>91,242</u>
Cash flows from noncapital financing activities:	
Transfers from other funds	150,000
Transfers to other funds	(223,486)
Cash received from other funds	<u>1,143</u>
Net cash used by noncapital financing activities	<u>(72,343)</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bond maturities	(49,000)
Interest and fiscal charges paid on revenue bonds	(10,961)
Net increase in meter deposits	4,250
Acquisition of equipment	<u>(157,869)</u>
Net cash used by capital and related financing activities	<u>(213,580)</u>
Cash flows from investing activities:	
Purchase of interest-bearing deposits	(27,765)
Maturities of interest-bearing deposits	27,640
Interest on investments	<u>283</u>
Net cash provided by investing activities	<u>158</u>
Net decrease in cash and cash equivalents	(194,523)
Cash and cash equivalents, beginning of period	<u>471,882</u>
Cash and cash equivalents, end of period	<u>\$ 277,359</u>

(continued)

TOWN OF PORT BARRE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund - (Continued)
 For the Year Ended September 30, 2016

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (45,820)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	169,980
Changes in current assets and liabilities:	
Accounts receivable	9,560
Accounts payable	(6,797)
Due to other governmental units	(36,724)
Other liabilities	<u>1,043</u>
Net cash provided by operating activities	<u>\$ 91,242</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	\$ 75,708
Interest-bearing deposits - unrestricted	201,274
Cash - restricted	136,621
Interest-bearing deposits - restricted	85,919
Less: Interest-bearing deposits with a maturity over three months	<u>(27,640)</u>
Total cash and cash equivalents	<u>471,882</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	76,884
Interest-bearing deposits - unrestricted	-
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>
Net decrease	<u>\$ (194,523)</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, liabilities, 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, liabilities, 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. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

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 \$0 at September 30, 2016. 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.

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 assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. 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

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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.

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, 2016.

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, 2016.

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.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

G. Bond Issue Costs

Bond issue costs are being expensed as incurred.

H. 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, 2016, taxes of 5.22 mills were levied on property with assessed valuations totaling \$10,774,970 and were dedicated for general corporate purposes.

Total taxes levied were \$56,246. Taxes receivable (including interest and penalties receivable) at September 30, 2016 consisted of the following:

Total receivable	\$16,616
Allowance for uncollectibles	<u>(392)</u>
Net receivable	<u>\$16,224</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 (2016 collections \$279,597) is dedicated for constructing, acquiring, extending, improving and/or maintaining drainage facilities, sewers and sewerage disposal works, streets, sidewalks, waterworks, and garbage collection and disposal facilities of the Town, including the purchase of equipment therefore.

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

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

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Proceeds of a 1996 1.2% sales and use tax levied in perpetuity by the Town of Port Barre (2016 collections \$341,729) 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, 2016, the Town had cash and interest-bearing deposits (book balances) totaling \$766,134 as follows:

Non interest-bearing	\$ 446,191
Interest-bearing	73,751
Time deposits	<u>246,192</u>
Total	<u>\$ 766,134</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, 2016 were secured as follows:

Bank balances	<u>\$ 879,831</u>
Federal deposit insurance	\$ 527,765
Pledged securities	<u>352,066</u>
Total federal deposit insurance and pledged securities	<u>\$ 879,831</u>

Deposits in the amount of \$352,066 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, 2016 consist of the following:

	General Fund	Utility Fund	Total
Accounts	\$ -	\$ 107,491	\$ 107,491
Taxes:			
Franchise taxes	26,940	-	26,940
Ad valorem taxes	16,224	-	16,224
Totals	\$ 43,164	\$ 107,491	\$ 150,655

(6) Due from Other Governmental Units

Due from other governmental units at September 30, 2016 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, 2016	\$ 1,641
Amount due from the State of Louisiana for video poker revenues earned during the fiscal year ending September 30, 2016	1,047
Amount due from the St. Landry Parish Government for casino revenues earned during the fiscal year ending September 30, 2016	3,124
Amount due from the St. Landry Housing Authority for payments in lieu of taxes earned during the fiscal year ending September 30, 2016	2,359
Total amount due from other governmental units	\$ 8,171

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at September 30, 2016 :

Revenue bond and interest sinking account	\$ 15,938
Revenue bond contingency account	55,880
Customers' deposits	156,422
Total restricted assets	\$ 228,240

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended September 30, 2016 was as follows:

	Balance 09/30/15	Additions	Deletions	Balance 09/30/16
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 86,425	\$ -	\$ -	\$ 86,425
Construction in progress	-	-	-	-
Other capital assets:				
Buildings	2,322,835	-	-	2,322,835
Infrastructure	2,005,882	197,957	-	2,203,839
Equipment	755,434	8,184	24,290	739,328
Totals	<u>5,170,576</u>	<u>206,141</u>	<u>24,290</u>	<u>5,352,427</u>
Less accumulated depreciation:				
Buildings	1,094,673	66,056	-	1,160,729
Infrastructure	694,218	51,347	-	745,565
Equipment	506,025	65,700	23,690	548,035
Total accumulated depreciation	<u>2,294,916</u>	<u>183,103</u>	<u>23,690</u>	<u>2,454,329</u>
Governmental activities, capital assets, net	<u>\$ 2,875,660</u>	<u>\$ 23,038</u>	<u>\$ 600</u>	<u>\$ 2,898,098</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 15,292	\$ -	\$ -	\$ 15,292
Other capital assets:				
Gas system	798,173	-	-	798,173
Water system	2,102,197	105,465	-	2,207,662
Sewer system	4,815,030	52,404	-	4,867,434
Machinery and equipment	129,058	-	7,000	122,058
Totals	<u>7,859,750</u>	<u>157,869</u>	<u>7,000</u>	<u>8,010,619</u>
Less accumulated depreciation:				
Gas system	607,622	10,209	-	617,831
Water system	807,958	56,426	-	864,384
Sewer system	2,176,787	97,866	-	2,274,653
Machinery and equipment	102,253	5,479	7,000	100,732
Total accumulated depreciation	<u>3,694,620</u>	<u>169,980</u>	<u>7,000</u>	<u>3,857,600</u>
Business-type activities, capital assets, net	<u>\$ 4,165,130</u>	<u>\$ (12,111)</u>	<u>\$ -</u>	<u>\$ 4,153,019</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 45,618
Police	43,215
Streets	58,037
Culture and recreation	<u>36,233</u>
Total depreciation expense	<u>\$ 183,103</u>

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

Gas	\$ 12,207
Water	56,426
Sewer	<u>101,347</u>
Total depreciation expense	<u>\$ 169,980</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, 2016:

	Governmental Activities		Business-type Activities
	General Obligation Bonds	Capital Leases/Note Payable	Revenue Bonds
Long-term debt payable, September 30, 2015	\$ 110,000	\$ 35,424	\$ 427,000
Long-term debt issued	-	-	-
Long-term debt retired	<u>(54,000)</u>	<u>(35,424)</u>	<u>49,000</u>
Long-term debt payable, September 30, 2016	<u>\$ 56,000</u>	<u>\$ -</u>	<u>\$ 378,000</u>

Long-term debt payable at September 30, 2016 is comprised of the following issues:

General obligation bonds:

\$340,000 Sales Tax Refunding Bonds, Series 2010; due in one annual installment of \$56,000 on May 1, 2017; interest at 2.66 percent; secured by a dedicated 1.2% sales tax

\$ 56,000

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

\$ 378,000

(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</u> <u>September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u> <u>payments</u>	<u>Interest</u> <u>payments</u>	<u>Principal</u> <u>payments</u>	<u>Interest</u> <u>payments</u>
2017	\$ 56,000	\$ 1,490	\$ 50,000	\$ 9,261
2018	-	-	51,000	8,036
2019	-	-	53,000	6,787
2020	-	-	55,000	5,488
2021	-	-	56,000	4,141
2022 - 2024	-	-	113,000	4,116
Total	<u>\$ 56,000</u>	<u>\$ 1,490</u>	<u>\$ 378,000</u>	<u>\$ 37,829</u>

(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, 2016.

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, 2016, 2015, and 2014 amounted to \$80,484, \$80,547, and \$75,619, 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, 2016, the Town purchased natural gas from Cypress Gas Pipeline Company in the amount of \$46,937. At September 30, 2016, the Town owed \$10,461 for natural gas purchases for the months of July, August, and September 2016.

(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, 2016, was as follows:

	Gas Department	Water Department	Sewerage Department	Total Enterprise Fund
Operating revenues	<u>\$223,916</u>	<u>\$519,396</u>	<u>\$264,854</u>	<u>\$1,008,166</u>
Operating expenses:				
Depreciation	12,207	56,426	101,347	169,980
Other	<u>210,279</u>	<u>426,232</u>	<u>247,495</u>	<u>884,006</u>
Total operating expenses	<u>222,486</u>	<u>482,658</u>	<u>348,842</u>	<u>1,053,986</u>
Operating income (loss)	<u>\$ 1,430</u>	<u>\$ 36,738</u>	<u>\$ (83,988)</u>	<u>\$ (45,820)</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, 2016 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 24,000
Car allowance	12,000
Registration fees	290
Conference travel	746
	<u>\$ 37,036</u>

(16) Compensation of Town Officials

A detail of compensation paid to the Board of Aldermen for the year ended September 30, 2016 follows:

Aldermen:

John Ardoin	\$ 5,000
Kenneth Marks (10/1/15 - 12/31/15)	1,200
Richard Mobile (1/1/16 - 9/30/16)	3,800
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, 2016, the Town of Port Barre is not involved any litigations.

(18) On-Behalf Payments of Salaries

During the year ended September 30, 2016, the State of Louisiana paid the Town's policemen \$57,601 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, 2016 :

	<u>Due From</u>	<u>Due To</u>
Governmental Funds:		
General Fund	\$ -	\$ 61,614
1966 Sales Tax Special Revenue Fund	34,051	-
1996 Sales Tax Special Revenue Fund	-	8,426
Proprietary Fund:		
Enterprise Fund	<u>35,989</u>	<u>-</u>
Total	<u>\$ 70,040</u>	<u>\$ 70,040</u>

B. Transfers consisted of the following at September 30, 2016 :

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 223,486	\$ -
1966 Sales Tax Special Revenue Fund	100,000	150,000
1996 Sales Tax Special Revenue Fund	-	157,161
1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund	57,161	-
Proprietary Fund:		
Enterprise Fund	<u>150,000</u>	<u>223,486</u>
Total	<u>\$ 530,647</u>	<u>\$ 530,647</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, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 150,300	\$ 155,363	\$ 159,991	\$ 4,628
Licenses and permits	85,250	92,128	93,076	948
Intergovernmental	125,398	117,243	119,586	2,343
Fines and forfeits	525,000	413,923	407,985	(5,938)
Miscellaneous	<u>196,700</u>	<u>206,488</u>	<u>218,578</u>	<u>12,090</u>
Total revenues	<u>1,082,648</u>	<u>985,145</u>	<u>999,216</u>	<u>14,071</u>
Expenditures:				
Current -				
General government	148,578	160,817	162,982	(2,165)
Public safety - police	815,050	841,213	859,690	(18,477)
Culture and recreation	169,869	159,437	169,963	(10,526)
Capital outlay	-	7,500	8,184	(684)
Debt service:				
Principal retirement	35,423	35,424	35,424	-
Interest and fiscal charges	<u>786</u>	<u>1,464</u>	<u>1,163</u>	<u>301</u>
Total expenditures	<u>1,169,706</u>	<u>1,205,855</u>	<u>1,237,406</u>	<u>(31,551)</u>
Deficiency of revenues over expenditures	(87,058)	(220,710)	(238,190)	(17,480)
Other financing sources:				
Transfers in	<u>90,000</u>	<u>223,486</u>	<u>223,486</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	2,942	2,776	(14,704)	(17,480)
Fund balance, beginning	<u>277,987</u>	<u>277,987</u>	<u>277,987</u>	<u>-</u>
Fund balance, ending	<u>\$ 280,929</u>	<u>\$ 280,763</u>	<u>\$ 263,283</u>	<u>\$ (17,480)</u>

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

Budgetary Comparison Schedule
For the Year Ended September 30, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$281,000	\$ 278,398	\$ 279,597	\$ 1,199
Interest	-	19	19	-
Total revenues	<u>281,000</u>	<u>278,417</u>	<u>279,616</u>	<u>1,199</u>
Expenditures:				
Current -				
General government:				
Professional fees	9,750	9,325	9,175	150
Miscellaneous	<u>2,810</u>	<u>3,017</u>	<u>2,814</u>	<u>203</u>
Total general government	<u>12,560</u>	<u>12,342</u>	<u>11,989</u>	<u>353</u>
Highways and streets:				
Salaries	149,150	160,813	166,296	(5,483)
Maintenance and materials	28,700	31,047	31,411	(364)
Street materials and supplies	25,500	17,993	18,379	(386)
Group insurance	41,393	32,231	34,934	(2,703)
Payroll taxes	11,170	12,043	13,133	(1,090)
Miscellaneous	<u>14,000</u>	<u>9,122</u>	<u>7,222</u>	<u>1,900</u>
Total highways and streets	<u>269,913</u>	<u>263,249</u>	<u>271,375</u>	<u>(8,126)</u>
Culture and recreation	<u>11,500</u>	<u>12,604</u>	<u>14,164</u>	<u>(1,560)</u>
Total expenditures	<u>293,973</u>	<u>288,195</u>	<u>297,528</u>	<u>(9,333)</u>
Deficiency of revenues over expenditures	<u>(12,973)</u>	<u>(9,778)</u>	<u>(17,912)</u>	<u>(8,134)</u>
Other financing sources (uses):				
Transfer from 1996 Sales Tax Fund	-	100,000	100,000	-
Transfer to Utility Fund	-	<u>(150,000)</u>	<u>(150,000)</u>	-
Total other financing sources (uses)	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Deficiency of revenues and other financing sources over expenditures and other uses	<u>(12,973)</u>	<u>(59,778)</u>	<u>(67,912)</u>	<u>(8,134)</u>
Fund balance, beginning	<u>130,579</u>	<u>130,579</u>	<u>130,579</u>	<u>-</u>
Fund balance, ending	<u>\$117,606</u>	<u>\$ 70,801</u>	<u>\$ 62,667</u>	<u>\$ (8,134)</u>

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

Budgetary Comparison Schedule
For the Year Ended September 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		Actual
Revenues:				
Taxes	\$ 339,000	\$ 340,251	\$ 341,729	\$ 1,478
Interest	-	50	53	3
Total revenues	339,000	340,301	341,782	1,481
Expenditures:				
Current -				
General government:				
Professional fees	10,250	9,880	9,670	210
Miscellaneous	3,390	3,447	3,439	8
Total general government	13,640	13,327	13,109	218
Highways and streets:				
Electricity for lights	34,300	34,548	37,538	(2,990)
Capital outlay - drainage improvements	145,000	197,957	197,957	-
Total expenditures	192,940	245,832	248,604	(2,772)
Excess of revenues over expenditures	146,060	94,469	93,178	(1,291)
Other financing uses:				
Transfers to 1966 Sales Tax Fund	(100,000)	(100,000)	(100,000)	-
Transfers to 1996 Bond Fund	(57,161)	(57,161)	(57,161)	-
Total financing uses	(157,161)	(157,161)	(157,161)	-
Deficiency of revenues over expenditures and other uses	(11,101)	(62,692)	(63,983)	(1,291)
Fund balance, beginning	148,395	148,395	148,395	-
Fund balance, ending	\$ 137,294	\$ 85,703	\$ 84,412	\$ (1,291)

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, 2016, 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	\$ 160,817	\$ 162,982	\$ (2,165)
Public safety - police	841,213	859,690	(18,477)
Culture and recreation	159,437	169,963	(10,526)
Capital outlay	7,500	8,184	(684)
1966 Sales Tax Special Revenue Fund			
Highways and streets	263,249	271,375	(8,126)
Culture and recreation	12,604	14,164	(1,560)
1996 Sales Tax Special Revenue Fund			
Highways and streets	34,548	37,538	(2,990)

OTHER SUPPLEMENTARY INFORMATION

TOWN OF PORT BARRE, LOUISIANA

Statement of Net Position
September 30, 2016
With Comparative Totals for September 30, 2015

	2016			2015 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 461,010	\$ 76,884	\$ 537,894	\$ 897,247
Receivables, net	43,164	107,491	150,655	147,785
Internal balances	(35,989)	35,989	-	-
Due from other governmental units	8,171	-	8,171	12,393
Total current assets	<u>476,356</u>	<u>220,364</u>	<u>696,720</u>	<u>1,057,425</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	228,240	228,240	222,540
Capital assets:				
Land and construction in progress	86,425	15,292	101,717	101,717
Other capital assets, net	2,811,673	4,137,727	6,949,400	6,939,073
Total noncurrent assets	<u>2,898,098</u>	<u>4,381,259</u>	<u>7,279,357</u>	<u>7,263,330</u>
Total assets	<u>3,374,454</u>	<u>4,601,623</u>	<u>7,976,077</u>	<u>8,320,755</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	10,681	97,187	107,868	131,291
Retainage payable	14,579	-	14,579	-
Due to other governmental units	-	3,578	3,578	40,302
Capital leases payable	-	-	-	35,424
Bonds payable	56,000	50,000	106,000	103,000
Accrued interest	621	2,315	2,936	3,834
Total current liabilities	<u>81,881</u>	<u>153,080</u>	<u>234,961</u>	<u>313,851</u>
Noncurrent liabilities:				
Customers' deposits	-	156,422	156,422	152,172
Capital leases payable	-	-	-	-
Bonds payable	-	328,000	328,000	434,000
Total noncurrent liabilities	<u>-</u>	<u>484,422</u>	<u>484,422</u>	<u>586,172</u>
Total liabilities	<u>81,881</u>	<u>637,502</u>	<u>719,383</u>	<u>900,023</u>
NET POSITION				
Net investment in capital assets	2,827,519	3,825,019	6,652,538	6,517,366
Restricted for sales tax dedication	147,079	-	147,079	278,974
Restricted for debt service	40,113	19,503	59,616	58,483
Unrestricted	277,862	119,599	397,461	565,909
Total net position	<u>\$ 3,292,573</u>	<u>\$ 3,964,121</u>	<u>\$ 7,256,694</u>	<u>\$ 7,420,732</u>

TOWN OF PORT BARRE, LOUISIANA

Comparative Balance Sheet
General and Special Revenue Funds
September 30, 2016 and 2015

	General		1966 Sales Tax Special Revenue		1996 Sales Tax Special Revenue	
	2016	2015	2016	2015	2016	2015
ASSETS						
Cash and interest-bearing deposits	\$ 282,038	\$ 314,640	\$ 29,791	\$ 144,742	\$ 108,447	\$ 119,934
Receivables:						
Taxes	43,164	30,734	-	-	-	-
Due from other funds	-	-	34,051	25,625	-	29,449
Due from other governmental units	8,171	12,393	-	-	-	-
Total assets	<u>\$ 333,373</u>	<u>\$ 357,767</u>	<u>\$ 63,842</u>	<u>\$ 170,367</u>	<u>\$ 108,447</u>	<u>\$ 149,383</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 8,476	\$ 17,023	\$ 1,175	\$ 10,339	\$ 1,030	\$ 988
Retainage payable	-	-	-	-	14,579	-
Due to other funds	61,614	62,757	-	29,449	8,426	-
Total liabilities	<u>70,090</u>	<u>79,780</u>	<u>1,175</u>	<u>39,788</u>	<u>24,035</u>	<u>988</u>
Fund balances -						
Restricted for sales tax dedications	-	-	62,667	130,579	84,412	148,395
Unassigned	263,283	277,987	-	-	-	-
Total fund balances	<u>263,283</u>	<u>277,987</u>	<u>62,667</u>	<u>130,579</u>	<u>84,412</u>	<u>148,395</u>
Total liabilities and fund balances	<u>\$ 333,373</u>	<u>\$ 357,767</u>	<u>\$ 63,842</u>	<u>\$ 170,367</u>	<u>\$ 108,447</u>	<u>\$ 149,383</u>

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016			Variance with Final Budget Positive (Negative)	2015 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 52,600	\$ 52,500	\$ 51,396	\$ (1,104)	\$ 52,428
Interest and penalties on taxes	200	913	24,023	23,110	1,786
Franchise -					
Electric and cable TV	<u>97,500</u>	<u>101,950</u>	<u>84,572</u>	<u>(17,378)</u>	<u>93,523</u>
Total taxes	<u>150,300</u>	<u>155,363</u>	<u>159,991</u>	<u>4,628</u>	<u>147,737</u>
Licenses and permits:					
Occupational licenses	80,800	92,128	93,076	948	81,760
Liquor licenses	<u>4,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,425</u>
Total licenses and permits	<u>85,250</u>	<u>92,128</u>	<u>93,076</u>	<u>948</u>	<u>86,185</u>
Intergovernmental:					
State of Louisiana -					
Beer taxes	6,870	6,194	6,184	(10)	6,747
Video poker	20,100	15,046	10,447	(4,599)	18,580
Casino revenue	42,000	39,140	38,602	(538)	41,244
Grass cutting	4,200	4,200	4,392	192	4,200
On-behalf payments	50,000	50,000	57,601	7,601	49,050
St. Landry Parish Housing Authority	<u>2,228</u>	<u>2,663</u>	<u>2,360</u>	<u>(303)</u>	<u>2,663</u>
Total intergovernmental	<u>125,398</u>	<u>117,243</u>	<u>119,586</u>	<u>2,343</u>	<u>122,484</u>
Fines and forfeits	<u>525,000</u>	<u>413,923</u>	<u>407,985</u>	<u>(5,938)</u>	<u>507,022</u>
Miscellaneous:					
Rent	115,800	115,800	115,800	-	115,800
Parks	8,800	8,515	8,965	450	9,770
Library fees	3,000	6,958	6,715	(243)	3,187
Youth league	54,500	45,782	51,111	5,329	57,148
Sale of equipment	4,500	1,545	1,545	-	-
Donations	10,000	5,250	6,850	1,600	12,973
Insurance reimbursement	-	20,638	20,638	-	-
Interest	-	-	575	575	561
Other	<u>100</u>	<u>2,000</u>	<u>6,379</u>	<u>4,379</u>	<u>976</u>
Total miscellaneous	<u>196,700</u>	<u>206,488</u>	<u>218,578</u>	<u>12,090</u>	<u>200,415</u>
Total revenues	<u>\$ 1,082,648</u>	<u>\$ 985,145</u>	<u>\$ 999,216</u>	<u>\$ 14,071</u>	<u>\$ 1,063,843</u>

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016			Variance with Final Budget Positive (Negative)	2015 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government -					
Advertising	\$ 1,165	\$ 2,636	\$ 2,787	\$ (151)	\$ 1,263
Dues and subscriptions	2,600	3,174	3,134	40	3,105
Insurance	5,715	8,624	8,954	(330)	5,074
Legal fees	1,200	1,200	1,200	-	1,200
Mayor's allowance	12,000	12,000	12,000	-	10,500
Miscellaneous	5,000	2,545	2,754	(209)	4,110
Payroll taxes	5,650	5,639	5,722	(83)	5,529
Professional fees	25,500	33,470	28,095	5,375	27,566
Salaries	74,500	74,388	75,763	(1,375)	73,302
Travel and meetings	6,500	6,405	10,543	(4,138)	7,882
Preparation of tax roll	2,448	2,666	2,666	-	2,448
Repairs and maintenance	2,500	4,102	4,067	35	7,542
Coroner's fees	800	1,250	1,250	-	880
Electricity	3,000	2,718	4,047	(1,329)	3,011
Total general government	<u>148,578</u>	<u>160,817</u>	<u>162,982</u>	<u>(2,165)</u>	<u>153,412</u>
Public safety - police -					
Feeding prisoners	100	1,828	1,813	15	1,385
Drug enforcement	1,000	-	-	-	1,000
Insurance	23,100	34,262	35,533	(1,271)	23,058
Group insurance	77,600	68,834	75,166	(6,332)	72,701
Miscellaneous	-	1,815	1,800	15	2,946
Police car expenditures	34,700	22,304	22,639	(335)	28,008
Salaries	532,000	553,489	553,862	(373)	530,881
Payroll taxes	40,650	40,212	43,419	(3,207)	43,520
Supplies	21,900	18,140	17,802	338	26,439
Repairs and maintenance	24,700	46,303	50,045	(3,742)	30,463
Uniforms	4,500	7,784	8,452	(668)	5,975
Training academy	1,600	1,050	450	600	3,250
Travel and meetings	1,000	1,672	1,732	(60)	545
Telephone	13,300	12,065	11,638	427	12,413
Electricity	9,000	7,472	8,035	(563)	9,061
Medical and drug testing	5,100	13,063	13,058	5	3,522
Janitorial	5,100	3,640	3,396	244	4,071
Fine remittance fees	19,700	7,280	10,850	(3,570)	12,725
Total public safety	<u>815,050</u>	<u>841,213</u>	<u>859,690</u>	<u>(18,477)</u>	<u>811,963</u>

(continued)

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016			Variance with Final Budget Positive (Negative)	2015 Actual
	Budget		Actual		
	Original	Final			
Culture and recreation -					
Community Center -					
Salaries	39,983	37,671	39,087	(1,416)	39,922
Payroll taxes	3,015	2,855	2,963	(108)	3,020
Electricity	4,500	4,051	4,822	(771)	4,552
Repairs and maintenance	1,500	1,072	6,431	(5,359)	2,371
Elderly Assistance Program	-	-	642	(642)	6,378
Library -					
Salaries	26,000	25,825	26,955	(1,130)	20,050
Payroll taxes	1,900	1,992	2,062	(70)	1,534
Telephone and electricity	6,050	6,317	6,244	73	6,047
Repairs and maintenance	500	2,182	2,044	138	528
Supplies and equipment	1,000	801	1,226	(425)	1,172
Contract labor	-	-	-	-	7,641
Parks and recreation -					
Salaries	26,500	26,500	27,519	(1,019)	26,500
Payroll taxes	1,940	1,926	2,004	(78)	1,940
Telephone and electricity	2,000	2,409	4,421	(2,012)	5,532
Repairs and maintenance	2,500	2,315	19	2,296	-
Contract labor	18,500	13,424	13,544	(120)	21,332
Youth league supplies	-	6,223	11,260	(5,037)	22,880
Miscellaneous	33,981	23,874	18,720	5,154	26,737
Total culture and recreation	<u>169,869</u>	<u>159,437</u>	<u>169,963</u>	<u>(10,526)</u>	<u>198,136</u>
Capital outlay:					
General government -					
Computers	-	-	-	-	8,123
Public safety -					
Automobiles	-	-	-	-	5,000
Equipment	-	7,500	8,184	(684)	1,310
Culture and recreation -					
Community Center improvements	-	-	-	-	143,050
Furniture and equipment	-	-	-	-	9,651
Veterans' memorial park	-	-	-	-	7,951
Total capital outlay	<u>-</u>	<u>7,500</u>	<u>8,184</u>	<u>(684)</u>	<u>175,085</u>
Debt service:					
Principal retirement	35,423	35,424	35,424	-	36,797
Interest and fiscal charges	786	1,464	1,163	301	2,429
Total debt service	<u>36,209</u>	<u>36,888</u>	<u>36,587</u>	<u>301</u>	<u>39,226</u>
Total expenditures	<u>\$ 1,169,706</u>	<u>\$ 1,205,855</u>	<u>\$ 1,237,406</u>	<u>\$ (31,551)</u>	<u>\$ 1,377,822</u>

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

Budgetary Comparison Schedule
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016			Variance with Final Budget Positive (Negative)	2015 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 281,000	\$ 278,398	\$ 279,597	\$ 1,199	\$ 301,540
Interest	-	19	19	-	36
Total revenues	<u>281,000</u>	<u>278,417</u>	<u>279,616</u>	<u>1,199</u>	<u>301,576</u>
Expenditures:					
Current -					
General government:					
Professional fees	9,750	9,325	9,175	150	9,035
Collection fees	<u>2,810</u>	<u>3,017</u>	<u>2,814</u>	<u>203</u>	<u>3,015</u>
Total general government	<u>12,560</u>	<u>12,342</u>	<u>11,989</u>	<u>353</u>	<u>12,050</u>
Highways and streets:					
Salaries	149,150	160,813	166,296	(5,483)	149,297
Maintenance and materials	28,700	31,047	31,411	(364)	40,284
Street materials and supplies	25,500	17,993	18,379	(386)	22,732
Group insurance	41,393	32,231	34,934	(2,703)	37,312
Payroll taxes	11,170	12,043	13,133	(1,090)	11,597
Miscellaneous	<u>14,000</u>	<u>9,122</u>	<u>7,222</u>	<u>1,900</u>	<u>15,967</u>
Total highways and streets	<u>269,913</u>	<u>263,249</u>	<u>271,375</u>	<u>(8,126)</u>	<u>277,189</u>
Culture and recreation	<u>11,500</u>	<u>12,604</u>	<u>14,164</u>	<u>(1,560)</u>	<u>11,767</u>
Capital outlay -					
Street truck	-	-	-	-	<u>30,663</u>
Total expenditures	<u>293,973</u>	<u>288,195</u>	<u>297,528</u>	<u>(9,333)</u>	<u>331,669</u>
Deficiency of revenues over expenditures	<u>(12,973)</u>	<u>(9,778)</u>	<u>(17,912)</u>	<u>(8,134)</u>	<u>(30,093)</u>
Other financing sources (uses):					
Transfer from (to) 1996 Sales Tax Fund	-	100,000	100,000	-	(33,840)
Transfer to Utility Fund	-	<u>(150,000)</u>	<u>(150,000)</u>	-	<u>(230,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(263,840)</u>
Change in fund balance	(12,973)	(59,778)	(67,912)	(8,134)	(293,933)
Fund balance, beginning	<u>130,579</u>	<u>130,579</u>	<u>130,579</u>	-	<u>424,512</u>
Fund balance, ending	<u>\$ 117,606</u>	<u>\$ 70,801</u>	<u>\$ 62,667</u>	<u>\$ (8,134)</u>	<u>\$ 130,579</u>

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

Budgetary Comparison Schedule
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016			Variance with Final Budget Positive (Negative)	2015 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 339,000	\$ 340,251	\$ 341,729	\$ 1,478	\$ 368,549
Interest	-	50	53	3	87
Total revenues	<u>339,000</u>	<u>340,301</u>	<u>341,782</u>	<u>1,481</u>	<u>368,636</u>
Expenditures:					
Current -					
General government:					
Professional fees	10,250	9,880	9,670	210	9,515
Collection fees	<u>3,390</u>	<u>3,447</u>	<u>3,439</u>	<u>8</u>	<u>3,686</u>
Total general government	13,640	13,327	13,109	218	13,201
Highways and streets:					
Electricity for lights	34,300	34,548	37,538	(2,990)	34,319
Capital outlay	<u>145,000</u>	<u>197,957</u>	<u>197,957</u>	<u>-</u>	<u>784,170</u>
Total expenditures	<u>192,940</u>	<u>245,832</u>	<u>248,604</u>	<u>(2,772)</u>	<u>831,690</u>
Excess (deficiency) of revenues over expenditures	<u>146,060</u>	<u>94,469</u>	<u>93,178</u>	<u>(1,291)</u>	<u>(463,054)</u>
Other financing sources (uses):					
Transfers from (to) 1966 Sales Tax Fund	(100,000)	(100,000)	(100,000)	-	33,840
Transfers to 1996 Bond Fund	<u>(57,161)</u>	<u>(57,161)</u>	<u>(57,161)</u>	<u>-</u>	<u>(56,566)</u>
Total other financing sources (uses)	<u>(157,161)</u>	<u>(157,161)</u>	<u>(157,161)</u>	<u>-</u>	<u>(22,726)</u>
Change in fund balance	(11,101)	(62,692)	(63,983)	(1,291)	(485,780)
Fund balance, beginning	<u>148,395</u>	<u>148,395</u>	<u>148,395</u>	<u>-</u>	<u>634,175</u>
Fund balance, ending	<u>\$ 137,294</u>	<u>\$ 85,703</u>	<u>\$ 84,412</u>	<u>\$ (1,291)</u>	<u>\$ 148,395</u>

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

Budgetary Comparison Schedule
For the Year Ended September 30, 2016
With Comparative Actual Amounts for the Year Ended September 30, 2015

	2016		Variance with Final Budget Positive (Negative)	2015 Actual
	Budget	Actual		
Revenues:				
Miscellaneous -				
Interest on deposits	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service -				
Principal retirement	54,000	54,000	-	52,000
Interest	2,926	2,926	-	4,309
Paying agents' fees	450	450	-	350
Total debt service	<u>57,376</u>	<u>57,376</u>	<u>-</u>	<u>56,659</u>
Deficiency of revenues over expenditures	(57,376)	(57,376)	-	(56,659)
Other financing source:				
Transfers from 1996 Sales Tax Fund	<u>57,161</u>	<u>57,161</u>	<u>-</u>	<u>56,566</u>
Deficiency of revenues and other financing sources over expenditures	(215)	(215)	-	(93)
Fund balance, beginning	<u>40,949</u>	<u>40,949</u>	<u>-</u>	<u>41,042</u>
Fund balance, ending	<u>\$ 40,734</u>	<u>\$ 40,734</u>	<u>\$ -</u>	<u>\$ 40,949</u>

TOWN OF PORT BARRE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
September 30, 2016 and 2015

Records maintained by the Town indicated the following number of customers were being served during the month of September, 2016 and 2015:

<u>Department</u>	<u>2016</u>	<u>2015</u>
Gas (metered)	455	467
Water (metered)	1,312	1,281
Sewerage	950	938

TOWN OF PORT BARRE, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
September 30, 2016

<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	2,247,303
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	
Aggregate	261,327 1,500,000

TOWN OF PORT BARRE, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds
September 30, 2016

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
General Fund:				
Certificate of deposit	(A)	12/29/16	0.10%	\$ 45,500
Certificate of deposit	(A)	03/09/17	0.30%	<u>172,927</u>
Total General Fund				<u>218,427</u>
1996 Sales Tax Fund:				
Road Repair checking account	(A)	N/A	Variable	<u>15,384</u>
Total Special Revenue Funds				<u>15,384</u>
Utility Fund:				
Restricted assets -				
Certificate of deposit	(S)	01/16/17	0.55%	27,765
Savings accounts	(A)	N/A	Variable	<u>58,367</u>
Total Utility Fund				<u>86,132</u>
Total - all funds				<u>\$319,943</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash	\$ 76,884	\$ 75,708
Interest-bearing deposits, at cost	-	201,274
Receivables:		
Accounts receivable	107,491	117,051
Due from other funds	<u>35,989</u>	<u>37,132</u>
Total current assets	<u>220,364</u>	<u>431,165</u>
Noncurrent assets:		
Restricted assets:		
Cash	145,893	136,621
Interest -bearing deposits, at cost	82,347	85,919
Capital assets:		
Land	15,292	15,292
Other capital assets, net of accumulated depreciation	<u>4,137,727</u>	<u>4,149,838</u>
Total noncurrent assets	<u>4,381,259</u>	<u>4,387,670</u>
Total assets	<u>4,601,623</u>	<u>4,818,835</u>
LIABILITIES		
Current liabilities:		
Accounts payable	95,891	102,688
Other liabilities	1,296	253
Due to other governments	3,578	40,302
Payable from restricted assets -		
Revenue bonds	50,000	49,000
Accrued interest	<u>2,315</u>	<u>2,615</u>
Total current liabilities	<u>153,080</u>	<u>194,858</u>
Noncurrent liabilities:		
Customers' deposits	156,422	152,172
Revenue bonds and notes payable	<u>328,000</u>	<u>378,000</u>
Total noncurrent liabilities	<u>484,422</u>	<u>530,172</u>
Total liabilities	<u>637,502</u>	<u>725,030</u>
NET POSITION		
Net investment in capital assets	3,825,019	3,787,130
Restricted for debt service	19,503	18,753
Unrestricted	<u>119,599</u>	<u>287,922</u>
Total net position	<u>\$ 3,964,121</u>	<u>\$ 4,093,805</u>

TOWN OF PORT BARRE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
For the Years Ended September 30, 2016 and 2015

	Totals		Gas	
	2016	2015	2016	2015
Operating revenues:				
Charges for services -				
User charges	\$ 971,896	\$ 918,421	\$ 217,468	\$ 271,481
Connection charges	6,960	11,020	-	-
Miscellaneous	29,310	35,213	6,448	11,268
Total operating revenues	<u>1,008,166</u>	<u>964,654</u>	<u>223,916</u>	<u>282,749</u>
Operating expenses:				
Professional fees	14,499	13,150	-	-
Engineering fees	10,932	3,500	1,200	2,400
Depreciation	169,980	169,296	12,207	15,580
Electricity	78,044	79,223	-	-
Natural gas purchased	46,937	80,992	46,937	80,992
Insurance	172,773	140,752	38,253	30,273
Group insurance	30,291	32,955	9,087	10,627
Office supplies and expense	17,527	21,738	-	-
Operative maintenance and supplies	82,534	70,436	12,978	8,703
Payroll taxes	12,481	16,107	4,673	5,608
Salaries	169,087	207,154	55,799	68,361
Truck expenses	24,322	17,214	-	-
Water and sewer chemicals	150,686	135,755	-	-
Telephone	30,251	24,933	-	-
Bad debts expense (recoveries)	(617)	3,366	(185)	1,010
Uniforms	3,274	5,573	-	-
Miscellaneous	40,985	30,722	14,478	13,257
Allocation of general and administrative expenses	-	-	27,059	38,163
Total operating expenses	<u>1,053,986</u>	<u>1,052,866</u>	<u>222,486</u>	<u>274,974</u>
Operating income (loss)	<u>(45,820)</u>	<u>(88,212)</u>	<u>\$ 1,430</u>	<u>\$ 7,775</u>
Nonoperating revenues (expenses):				
Interest income	283	379		
Interest expense	(10,661)	(11,825)		
Total nonoperating revenues (expenses)	<u>(10,378)</u>	<u>(11,446)</u>		
Loss before transfers	<u>(56,198)</u>	<u>(99,658)</u>		
Other financing sources (uses):				
Transfer from 1966 Sales Tax Fund	150,000	230,000		
Transfer to General Fund	(223,486)	(315,000)		
Total other financing sources (uses)	<u>(73,486)</u>	<u>(85,000)</u>		
Change in net position	(129,684)	(184,658)		
Net position, beginning	<u>4,093,805</u>	<u>4,278,463</u>		
Net position, ending	<u>\$ 3,964,121</u>	<u>\$ 4,093,805</u>		

Water		Sewerage		General and Administrative	
2016	2015	2016	2015	2016	2015
\$ 498,702	\$ 409,691	\$ 255,726	\$ 237,249	\$ -	\$ -
5,160	9,520	1,800	1,500	-	-
<u>15,534</u>	<u>15,142</u>	<u>7,328</u>	<u>8,803</u>	-	-
<u>519,396</u>	<u>434,353</u>	<u>264,854</u>	<u>247,552</u>	-	-
-	-	-	-	14,499	13,150
8,332	1,100	1,400	-	-	-
56,426	54,352	101,347	99,364	-	-
32,766	33,199	42,249	43,013	3,029	3,011
-	-	-	-	-	-
60,111	44,714	45,539	35,087	28,870	30,678
13,631	16,266	7,573	6,062	-	-
-	-	-	-	17,527	21,738
24,202	11,939	41,106	44,900	4,248	4,894
4,894	6,581	2,914	3,918	-	-
71,016	87,004	42,272	51,789	-	-
-	-	-	-	24,322	17,214
139,871	127,599	10,815	8,156	-	-
1,704	1,193	4,057	3,500	24,490	20,240
(278)	1,515	(154)	841	-	-
-	-	-	-	3,274	5,573
4,797	5,919	18,976	8,782	2,734	2,764
<u>65,186</u>	<u>51,283</u>	<u>30,748</u>	<u>29,816</u>	<u>(122,993)</u>	<u>(119,262)</u>
<u>482,658</u>	<u>442,664</u>	<u>348,842</u>	<u>335,228</u>	-	-
<u>\$ 36,738</u>	<u>\$ (8,311)</u>	<u>\$ (83,988)</u>	<u>\$ (87,676)</u>	<u>\$ -</u>	<u>\$ -</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

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, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated January 27, 2017.

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.

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.

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. 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 2016-001(IC) through 2016-006(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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

This report is intended 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, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 27, 2017

TOWN OF PORT BARRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
September 30, 2016

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (9/30/2016) --						
<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
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, approval and proper 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

TOWN OF PORT BARRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
September 30, 2016

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (9/30/16) --						
<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
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

TOWN OF PORT BARRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
September 30, 2016

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 (9/30/2015) --						
<u>Internal Control:</u>						
2015-001(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
2015-002(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
2015-003(IC)	2015	Management should verify that the following approved policies and procedures relative to the elderly assistance program are properly performed: (A) Proper controls over cash collections to ensure that all receipts are recorded and deposited. (B) Supporting documentation must be maintained for program revenues and donations. Additionally, program purchases should be submitted to the accounts payable clerk to be processed with all other transactions. All payments should have adequate supporting documentation attached. (C) Management should monitor program spending to ensure that expenditures do not exceed revenues.	Yes	Management will review the approved policies and procedures over cash receipts and disbursements with staff in charge of the program to insure controls and will closely monitor them to ascertain that they are followed. Additionally, management will monitor program spending to ensure that expenditures do not exceed revenues.	Toria Comeaux, Town Clerk	Immediately
2015-004(IC)	2015	During fiscal year 2015, expenditures of the Town's youth league program exceeded revenues by approximately \$14,000. Management should implement procedures to monitor excess spending in the youth league program. In addition, management should consider increasing program revenues and decreasing expenditures in order for the program to operate on a profitable basis.	Yes	Management will implement procedures to monitor excess spending in the youth league program. Additionally, management will consider increasing program revenues and decreasing program expenditures in order to operate the program on a profitable basis.	Toria Comeaux, Town Clerk	Immediately

TOWN OF PORT BARRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
September 30, 2016

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 (9/30/15) --						
<u>Internal Control (Continued):</u>						
2015-005(IC)	2015	During the fiscal year ended September 30, 2015, it was noted that cash received from youth league activities (athletic events and fundraisers) was not always deposited daily. Deposits from these activities should be remitted on a daily basis and the cash count verified by a town employee in the presence of the Parks and Recreation Director.	Yes	In the future, management will ascertain that cash received from youth league activities is remitted on a daily basis, counted in the presence of the Parks and Recreation Director, and timely deposited.	Toria Comeaux, Town Clerk	Immediately
2015-006(IC)	2015	A review of youth league expenditures disclosed that the Parks and Recreation Director paid for expenditures related to tournaments and activities outside of the Town's sponsored league events. These items included, but were not limited to hotel rooms, player and parent meals, travel expenditures (including rental of passenger vans), expensive uniforms and souvenirs. These purchases were not within the scope of youth league operations and should not be paid by the Town.	Yes	Management will review allowable purchases with the Parks and Recreation Director and will closely monitor youth league expenditures in order to ascertain that they are within the scope of youth league operations.	Toria Comeaux, Town Clerk	Immediately
2015-007(IC)	2015	During the current fiscal year, it was determined that there were a large number of purchases made on the Parks and Recreation credit card which had no invoice or other supporting documentation. The Director should obtain approval from management prior to making purchases. Additionally, itemized invoices or receipts should be maintained for all purchases, including credit card payments, and remitted to the accounts payable clerk immediately after the purchase.	Yes	Subsequent to fiscal year ended September 30, 2015, Town management developed policies and procedures regarding the payment of invoices, which included discontinued credit card use by the Parks and Recreation Director.	Toria Comeaux, Town Clerk	Immediately
2015-008(IC)	2015	During the fiscal year ended September 30, 2015, a youth league fundraiser was held without prior approval or appropriate oversight. Additionally, the Town paid for fundraising products that have yet to be sold. The Parks and Recreation Director should obtain approval from management prior to beginning fundraising activities. Planning should be done to insure that fundraisers are profitable. Policies and procedures should also be implemented in order to ensure that proper controls are in place over cash receipts and product sales for fundraising activities.	Yes	In the future, management will implement policies and procedures to insure that proper controls are in place for accounting for fundraising activities and will require proper approval prior to fundraising events taking place.	Toria Comeaux, Town Clerk	Immediately

TOWN OF PORT BARRE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
September 30, 2016

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>Management Letter:</u>						
2015-009(ML)	2000	During the fiscal year ended September 30, 2015, the Utility Fund water and sewerage departments experienced operating losses of \$8,311 and \$87,676, respectively. The Town should consider increasing rates and/or decreasing expenses within these departments in order for them to operate on a profitable basis.	Partial	Town officials will review current water 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 the department to operate on a profitable basis in the future.	Toria Comeaux, Town Clerk	9/30/2016
2015-010(ML)	2011	The Town experienced a high percentage of water loss for the year ended September 30, 2015. The Town should determine the reasons for this high loss percentage and determine ways to reduce the percentage by appropriately billing for water usage or correcting situations causing the water losses.	No	Management will continue to track the water loss on a monthly basis. The utility department staff will assess the water system to determine what actions could be considered in order to reduce the amount of water loss.	Toria Comeaux, Town Clerk	9/30/2016
2015-011(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
2015-012(ML)	2015	Management should implement procedures to ensure that sales tax returns for commercial gas sales are submitted on or before the filing deadlines.	Yes	Management will implement procedures to ensure that sales tax returns for commercial gas sales are submitted on a timely basis.	Toria Comeaux, Town Clerk	Immediately
2015-013(ML)	2015	Upon review of disbursements and related invoices, it was determined that the Town is not paying invoices in a timely manner, which is often resulting in late fees. Management should verify that invoices are paid timely in order to avoid additional late charges.	Yes	In the future, management will ascertain that invoices are paid on a timely basis in order to avoid late payment fees.	Toria Comeaux, Town Clerk	Immediately

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MANAGEMENT LETTER

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Retired:
Conrad O. Chapman, CPA* 2006

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, 2016 we noted areas in which improvements in the accounting system and financial practices of the Town may be desirable. These items were also included in our management letter dated January 15, 2016 applicable to our audit of the basic financial statements for the year ended September 30, 2015, but are mentioned again for re-emphasis.

- (1) 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.
- (2) 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.
- (3) All utility customers with inactive accounts should be reviewed to determine whether the meter deposit associated with the account has been applied toward the delinquent balance.

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, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
January 27, 2017