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VILLAGE OF PORT VINCENT, LOUISIANA

REVIEW REPORT

JUNE 30, 2014

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date OCT 29 2014

VILLAGE OF PORT VINCENT, LOUISIANA

REVIEW REPORT

JUNE 30, 2014

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Mayor and Board of Alderman
Village of Port Vincent, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Port Vincent, Louisiana, as of and for the year then ended, June 30, 2014, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Village of Port Vincent, Louisiana. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Village of Port Vincent, Louisiana is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 2 through 7 and 26 are presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplemental information on page 27 has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Postlethwaite & Netterville
Gonzales, Louisiana
September 29, 2014

VILLAGE OF PORT VINCENT

MANAGEMENTS DISCUSSION AND ANALYSIS

June 30, 2014

This section of Village's annual financial report presents our discussion and analysis of the Village's financial performance during the fiscal year that ended on June 30, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the Village's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Village's combined total net position equaled \$481,348 over the course of the year's operations. Net position of our governmental activities was \$229,721 and \$251,627 in the net position of our business-type activities.
- During the year, the Village's governmental activities expenses were \$86,700 less than the \$463,009 generated in charges for services, grants & contributions, taxes, and other revenue. In the Village's business-type activities, total revenues were \$49,104 and total expenses were \$38,185.
- The Village transferred funds of \$5,351 out of the proprietary funds into the governmental funds during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

VILLAGE OF PORT VINCENT

**MANAGEMENTS DISCUSSION AND ANALYSIS
June 30, 2014**

Figure A-1 Major Features of Village's Government and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire Village government (except fiduciary funds)	The activities of the Village that are not proprietary or fiduciary, such as police, fire, and parks	Activities the Village operates similar to private businesses: the water system
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expense, and changes in net position • Statement of cash flows
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

VILLAGE OF PORT VINCENT

MANAGEMENTS DISCUSSION AND ANALYSIS

June 30, 2014

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.

The Village has two kinds of funds:

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

VILLAGE OF PORT VINCENT

**MANAGEMENTS DISCUSSION AND ANALYSIS
June 30, 2014**

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Net position. The Village's combined net position was \$481,348 at the end of the fiscal year. (See Table A-1.)

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

	Governmental Activities 2014	Business-Type Activities 2014
Current and other assets	\$ 124,002	\$60,726
Capital assets, net	109,962	190,901
Total assets	233,964	251,627
Current liabilities	4,243	-
Total liabilities	4,243	-
Net position		
Invested in capital assets, net of related debt	109,962	190,901
Unrestricted	119,759	60,726
Total net position	\$ 229,721	\$ 251,627

Net position of the Village's governmental activities was \$229,721 at year end. Net position of the Village's business-type activities was \$251,627 at year end.

Changes in net position. The Village's total revenues for all programs were \$506,782 at year end (See Table A-2.) Approximately 74 percent of the Village's revenue comes from fees charged for services. Taxes and licenses make up 15 percent and the rest is interest, capital contributions, and miscellaneous revenue.

The total cost of all programs and services were \$414,494. The Village's expenses cover all services performed by its office.

VILLAGE OF PORT VINCENT

MANAGEMENTS DISCUSSION AND ANALYSIS

June 30, 2014

Table A-2
Changes in Village's Net Position
Governmental **Business-Type**
Activities **Activities**
2014 **2014**

Revenues		
Program revenues		
Charges for services	\$ 323,394	\$ 49,104
Capital contribution	26,000	-
General revenues		
Intergovernmental	73,703	-
Miscellaneous	34,531	-
Interest	30	20
Transfers in	5,351	-
Total revenues	463,009	49,124
Expenses		
General government	215,129	38,185
Public safety	161,180	-
Transfers out	-	5,351
Total expenses	376,309	43,536
Increase in net position	\$ 86,700	\$ 5,588

Governmental Activities

Revenues for the Village's governmental activities were \$86,700 more than total expenses for year end. During the year, the Village received donations of two police cars valued at \$13,000 each. The Village recorded capital contributions of \$26,000 as noted in Table A-2. The cost of all governmental activities this year was \$376,309.

Business-type Activities

Revenues were \$49,124 and expenses were \$43,536 of the Village's business-type activities.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As the Village completed the year, its governmental funds reported a combined fund balance of \$119,759.

VILLAGE OF PORT VINCENT

MANAGEMENTS DISCUSSION AND ANALYSIS

June 30, 2014

General Fund Budgetary Highlights

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

CAPITAL ASSETS

At the end of 2014, the Village had invested approximately \$300,863 in a broad range of capital assets, including police equipment, vehicles, buildings, and water well systems. (See Table A-3)

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

	Governmental Activities 2014	Business Activities 2014
Land	\$ 10,000	\$ -
Buildings	73,778	-
Lines, meters, & Plants	-	637,041
Equipment	172,432	-
Vehicles	77,292	-
Less: Accumulated Depreciation	(223,540)	(446,140)
Total	<u>\$ 109,962</u>	<u>\$ 190,901</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Village is dependent on fines and court costs for 68 percent of its revenues, and taxes, licenses fees, & permits for 16 percent. The economy is not expected to generate any significant growth. Therefore, the Village's expenditures are expected to be consistent with the current years.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

VILLAGE OF PORT VINCENT
STATEMENT OF NET POSITION
JUNE 30, 2014

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash	\$ 114,343	\$ 57,495	\$ 171,838
Receivables	9,659	3,231	12,890
Capital assets, net of accumulated depreciation	109,962	190,901	300,863
TOTAL ASSETS	233,964	251,627	485,591
<u>LIABILITIES</u>			
Accrued expenses	4,243	-	4,243
TOTAL LIABILITIES	4,243	-	4,243
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	109,962	190,901	300,863
Unrestricted	119,759	60,726	180,485
TOTAL NET POSITION	\$ 229,721	\$ 251,627	\$ 481,348

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

VILLAGE OF PORT VINCENT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<u>ACTIVITIES</u>						
Governmental:						
General government	\$ 215,129	\$ -	\$ -	\$ (215,129)		\$ (215,129)
Public safety	161,180	323,394	26,000	188,214		188,214
Streets	-	-	-	-		-
Total governmental activities	<u>376,309</u>	<u>323,394</u>	<u>26,000</u>	<u>(26,915)</u>		<u>(26,915)</u>
Business-type:						
Utility	38,185	49,104	-		10,919	10,919
Total business-type activities	<u>38,185</u>	<u>49,104</u>	<u>-</u>		<u>10,919</u>	<u>10,919</u>
Total Village of Port Vincent	<u>\$ 414,494</u>	<u>\$ 372,498</u>	<u>\$ 26,000</u>	<u>\$ (26,915)</u>	<u>\$ 10,919</u>	<u>\$ (15,996)</u>
General Revenues:						
Intergovernmental:						
Beer tax				2,134	-	2,134
Franchise taxes and permits				42,995	-	42,995
Insurance premium tax				17,359	-	17,359
Occupational licenses				11,215	-	11,215
Interest income				30	20	50
Other:						
Cellular Tower Rental				8,187	-	8,187
Parish Supplemental				3,900	-	3,900
Transfers				5,351	(5,351)	-
Other income				22,444	0	22,444
Total general revenues and transfers				<u>113,615</u>	<u>(5,331)</u>	<u>108,284</u>
Change in net position				86,700	5,588	92,288
Net position - July 1, 2013				<u>143,021</u>	<u>246,039</u>	<u>389,060</u>
Net position - June 30, 2014				<u>\$ 229,721</u>	<u>\$ 251,627</u>	<u>\$ 481,348</u>

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

VILLAGE OF PORT VINCENT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 114,343	\$ -	\$ 114,343
Receivables	-	9,659	9,659
Total assets	<u>\$ 114,343</u>	<u>\$ 9,659</u>	<u>\$ 124,002</u>
LIABILITIES			
Payroll taxes withheld	\$ 4,243	-	\$ 4,243
Total liabilities	<u>4,243</u>	<u>-</u>	<u>4,243</u>
FUND BALANCE			
Unassigned	<u>110,100</u>	<u>9,659</u>	<u>119,759</u>
Total fund balance	<u>110,100</u>	<u>9,659</u>	<u>119,759</u>
 Total liabilities and fund balance	 <u>\$ 114,343</u>	 <u>\$ 9,659</u>	 <u>\$ 124,002</u>

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

VILLAGE OF PORT VINCENT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Total fund balance - Governmental Funds		\$ 119,759
Cost of capital assets at June 30, 2014	\$ 333,502	
Less: accumulated depreciation as of June 30, 2014	<u>(223,540)</u>	<u>109,962</u>
Total net position at June 30, 2014 - Governmental Activities		<u>\$ 229,721</u>

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

VILLAGE OF PORT VINCENT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2014

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUE			
Fines and court fees	\$ 323,394	\$ -	\$ 323,394
Intergovernmental:			
Beer tax	2,134	-	2,134
Franchise taxes and permits	42,995	-	42,995
Insurance premium tax	17,359	-	17,359
Occupational licenses	11,215	-	11,215
Interest income	30	-	30
Other:			
Cellular Tower Rental	8,187	-	8,187
Parish Supplemental	3,900	-	3,900
Other income	22,444	-	22,444
	<u>431,658</u>	<u>-</u>	<u>431,658</u>
EXPENDITURES			
Current:			
General government	215,129	-	215,129
Public Safety	132,790	-	132,790
Streets	-	-	-
Capital Outlay	-	-	-
Total expenditures	<u>347,919</u>	<u>-</u>	<u>347,919</u>
Excess of Revenues over (under) expenditures	83,739	-	83,739
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	5,351	-	5,351
Net change in fund balance	89,090	-	89,090
Fund Balance, Beginning of Year	21,010	9,659	30,669
Fund Balance, End of Year	<u>\$ 110,100</u>	<u>\$ 9,659</u>	<u>\$ 119,759</u>

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

VILLAGE OF PORT VINCENT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2014

Net change in fund balance - Governmental funds	\$ 89,090
The change in net position reported for governmental activities in the statement of activities is different because:	
Contribution of capital assets	26,000
Depreciation expense	<u>(28,390)</u>
Change in net position of governmental activities	<u>\$ 86,700</u>

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

VILLAGE OF PORT VINCENT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2014

ASSETS

Cash	\$ 57,495
Receivables	3,231
Capital assets, net of accumulated depreciation	<u>190,901</u>
TOTAL ASSETS	<u>251,627</u>

NET POSITION

Invested in capital assets	190,901
Unrestricted	<u>60,726</u>
TOTAL NET POSITION	<u>\$ 251,627</u>

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

VILLAGE OF PORT VINCENT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2014

OPERATING REVENUES	
Charges for service	\$ 49,104
Total operating revenues	49,104
 OPERATING EXPENSES	
Administration	2,572
Depreciation	23,140
Maintenance	9,374
Utilities	3,099
Total operating expenses	38,185
 OPERATING INCOME	 10,919
 NONOPERATING REVENUES (EXPENSES)	
Interest income	20
Transfer Out	(5,351)
Total nonoperating revenues (expenses)	(5,331)
Change in net position	5,588
Total net position - beginning	246,039
Total net position - ending	\$ 251,627

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

VILLAGE OF PORT VINCENT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 49,104
Payments to suppliers and employees	(14,784)
Net cash provided by operating activities	<u>34,320</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers to other funds	(5,351)
Net cash used in noncapital financing activities	<u>(5,351)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	20
Net cash provided by investing activities	<u>20</u>

Net increase in cash and cash equivalents 28,989

Cash and cash equivalents - July 1, 2013 28,506

Cash and cash equivalents - June 30, 2014 \$ 57,495

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$ 10,919
Adjustments to reconcile operating income to net cash provided by operating activities -	
Depreciation and amortization	23,140
Decrease in accounts receivable	261
Net cash provided by operating activities	<u>\$ 34,320</u>

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

VILLAGE OF PORT VINCENT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

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

B. Reporting Entity

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

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

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, no component units have been identified and, as a result, these financial statements present only financial position and results of operations of the Village of Port Vincent, Louisiana (the primary government).

VILLAGE OF PORT VINCENT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation, Basis of Accounting

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

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

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

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

The Village reports the following major governmental funds:

- a. **General Fund** – The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Capital Projects Funds** – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and agency funds).

VILLAGE OF PORT VINCENT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Village reports the following enterprise fund:

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

D. Measurement Focus, Basis of Accounting -

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

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

The accompanying financial statements of the Village has been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, the Village has elected to directly incorporate into GASB's authoritative literature certain pronouncements issued by FASB and its predecessors on or before November 30, 1989.

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

VILLAGE OF PORT VINCENT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Policy and Accounting

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

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

Inventories – Inventory of supplies is immaterial in the dollar amount and all supplies are expensed when purchased.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

VILLAGE OF PORT VINCENT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

Accounts receivables –Accounts receivables are recorded at cost net of any allowance for doubtful accounts. The Village uses the allowance method to recognize any bad debts for utility receivables. The allowance is based on management's estimate of uncollectible receivables as of the end of each year.

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

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

VILLAGE OF PORT VINCENT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

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

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

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

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

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

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

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

VILLAGE OF PORT VINCENT
NOTES TO FINANCIAL STATEMENTS

2. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2014, are as follows:

Governmental activities:

	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost of Capital Assets June 30, 2013	\$ 10,000	\$ 73,778	\$ 187,782	\$ 181,390	\$ 452,950
Additions	-	-	-	26,000	26,000
Deletions	-	-	(15,350)	(130,098)	(145,448)
Costs of Capital Assets, June 30, 2014	10,000	73,778	172,432	77,292	333,502
Accumulated depreciation June 30, 2013	-	25,115	154,905	160,578	340,598
Additions	-	1,844	11,088	15,458	28,390
Deletions	-	-	(15,350)	(130,098)	(145,448)
Accumulated depreciation, June 30, 2014	-	26,959	150,643	45,938	223,540
Capital assets, net of accumulated depreciation at June 30, 2014	<u>\$ 10,000</u>	<u>\$ 46,819</u>	<u>\$ 21,789</u>	<u>\$ 31,354</u>	<u>\$ 109,962</u>

For the year ended June 30, 2014, depreciation expense was \$28,390.

VILLAGE OF PORT VINCENT

NOTES TO FINANCIAL STATEMENTS

2. CAPITAL ASSETS (continued)

Business-Type Activities:

	Lines, Meters, and plants	Equipment	Total
Cost of Capital Assets			
June 30, 2013	\$ 578,494	\$ 60,341	\$ 638,835
Additions	-	-	-
Deletions	-	(1,794)	(1,794)
Costs of Capital Assets, June 30, 2014	<u>578,494</u>	<u>58,547</u>	<u>637,041</u>
Accumulated depreciation			
June 30, 2013	364,453	60,341	424,794
Additions	23,140	-	23,140
Deletions	-	(1,794)	(1,794)
Accumulated depreciation, June 30, 2014	<u>387,593</u>	<u>58,547</u>	<u>446,140</u>
Capital assets, net of accumulated depreciation at June 30, 2014	<u>\$ 190,901</u>	<u>\$ -</u>	<u>\$ 190,901</u>

For the year ended June 30, 2014, depreciation expense was \$23,140.

3. CASH AND INVESTMENTS

At June 30, 2014, the Village's cash and investments (book balance) consisted of the following:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Cash:			
Demand deposits	<u>\$ 103,012</u>	<u>52,667</u>	<u>155,679</u>
Investments:			
Funds held in LAMP	<u>11,331</u>	<u>4,828</u>	<u>16,159</u>
Total cash and investments	<u>\$ 114,343</u>	<u>\$ 57,495</u>	<u>\$ 171,838</u>

VILLAGE OF PORT VINCENT

NOTES TO FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (continued)

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. The Village's bank balances were not exposed to custodial credit risk at June 30, 2014.

The Village adopted Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*. As of June 30, 2014, the Village had the following investments and maturities:

INVESTMENT MATURITIES (IN YEARS)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>
LAMP Funds	<u>\$ 16,159</u>	<u>\$ 16,159</u>
Total Investments	<u>\$ 16,159</u>	<u>\$ 16,159</u>

Because the LAMP funds as of June 30, 2014, had a weighted average maturity of 3.5 months, it was presented as an investment with maturity of less than one year.

Interest Rate Risk

The Village's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments in securities issued, or backed by the United States Treasury obligations, and U.S. Government instrumentalities, which are federally sponsored. The Village has no investment policy that would further limit its investment choices. As of June 30, 2014, the Village's investment in LAMP was rated AAA by Standard & Poor's.

4. RISK MANAGEMENT

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

5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 29, 2014, the date that the financial statements were available to be issued, and determined that no additional disclosures are necessary.

VILLAGE OF PORT VINCENT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Fines and court fees	\$ 254,500	\$ 254,500	\$ 323,394
Beer tax	4,000	4,000	2,134
Franchise taxes and permits	38,000	38,000	42,995
Insurance premium tax	16,500	16,500	17,359
Occupational licenses	15,000	15,000	11,215
Interest	100	100	30
Other:			
Cellular Tower Rental	8,000	8,000	8,187
Parish supplemental	3,600	3,600	3,900
Other income	8,561	8,561	22,444
Total revenues	348,261	348,261	431,658
EXPENDITURES			
Current:			
General government	191,161	191,161	215,129
Public safety	155,100	155,100	132,790
Total expenditures	346,261	346,261	347,919
Excess of expenditures (over) under revenues	2,000	2,000	83,739
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	5,351
Net change in fund balance	2,000	2,000	89,090
Fund Balance, Beginning of year	21,010	21,010	21,010
Fund Balance, End of year	\$ 23,010	\$ 23,010	\$ 110,100

See accompanying accountant's report.

VILLAGE OF PORT VINCENT
SCHEDULE OF PER DIEM PAID
YEAR ENDED JUNE 30, 2014

	<u>MONTHLY</u>	<u>ANNUAL</u>
Mayor, David Carter	\$ 550	6,600
Johnnie Page	\$ 75	900
Scotty Martone	\$ 75	900
Milton "Gary" Brady	\$ 75	900
Chief of Police, Daryl W. Averett (7/1/2013-12/31/2013)	\$ 994	<u>11,923</u>
		<u>\$ 21,223</u>

**VILLAGE OF PORT VINCENT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014**

A. FINDINGS – FINANCIAL STATEMENTS

NONE

B. FINDINGS – COMPLIANCE

NONE

**VILLAGE OF PORT VINCENT
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2014**

A. FINDINGS – FINANCIAL STATEMENTS

NONE

B. FINDINGS – COMPLIANCE

NONE

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

The Honorable Mayor
And Members of the Board of Aldermen
Village of Port Vincent, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Port Vincent, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Port Vincent, Louisiana's compliance with certain laws and regulations during the year ended June 30, 2014, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Governmental Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law:

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year exceeding \$30,000.

Code of Ethics for Public Officials and Public Employees:

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the list obtained from management in agreed-upon procedures (3) were also included on the list obtained from management in agreed-upon procedures (2) as immediate family members.

None were included.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original and amended budgets.

6. Trace the budget adoption and amendments to the minute book.

We were able to trace the adoption of the original budget to the minutes of a meeting held on June 19, 2013 which indicated that the budget had been adopted by the aldermen of the Village of Port Vincent. No amendments were made to the general fund budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or if actual expenditures exceed budgeted amounts by more than 5%.

Actual revenues were more than budgeted amounts. Actual expenditures were less than budgeted amounts. Expenditures did not exceed budgeted amounts by more than 5%.

Accounting and Reporting:

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee,

We examined supporting documentation for each of the six selected disbursements and found that payment was for proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account, and

All six of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of the documentation supporting each of the six selected disbursements indicated proper approval.

Meeting:

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village properly complied with the requirements of the open meetings law.

Debt:

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.

Inspection of all bank deposit slips for the period under examination showed that none of the deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses:

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees who may constitute bonuses, advances, or gifts.

No payments to employees appear to be bonuses, advances, or gifts.

Prior Comments and Recommendations:

Our prior year report, dated September 24, 2013, did not include any findings.

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

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



Gonzales, Louisiana
September 29, 2014

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

_____ (Date Transmitted)

Pastlethwaite & Netterville
326 E. Cochraneview
Gonzales, LA 70737

_____ (Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements.

without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

<u>Jenny Bolman</u>	Secretary	<u>7/18/14</u>	Date
	Treasurer		Date
<u>David Conl</u>	President	<u>7/18/14</u>	Date