
VILLAGE OF PORT VINCENT, LOUISIANA

FINANCIAL REPORT

JUNE 30, 2020

VILLAGE OF PORT VINCENT, LOUISIANA

FINANCIAL REPORT

JUNE 30, 2020

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Honorable Mr. Johnnie Page, Mayor
And Board of Aldermen and Alderwomen
Port Vincent, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and the major fund of the Village of Port Vincent, Louisiana, as of and for the year then ended, June 30, 2020, and the related notes to the financial statement, 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. 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.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of the proportionate share of the net pension liability, and schedule of system contributions on pages 3 through 8 and 34, 35, and 36, respectively, 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management.

We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Other Supplementary Information

The accompanying supplementary schedules of per diem paid and compensation, benefits, and other payments to agency head included on page 37 and 38 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the representation of management. We have not audited or reviewed such information and we do not express an opinion, a conclusion, nor provide any assurance on it.

A handwritten signature in cursive script that reads "Drey, Dupuy & Rivin". The signature is written in dark ink and is positioned above the typed date and location.

November 24, 2020
Gonzales, Louisiana

VILLAGE OF PORT VINCENT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

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, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

FINANCIAL HIGHLIGHTS

- The Village's combined total net position equaled \$787,011 over the course of the year's operations. Net position of the governmental activities was \$478,655 and \$308,356 in the net position of the business-type activities.
- During the year, the Village's governmental activities expenses were \$76,224 more than the \$409,398 generated in charges for services, operating grants & contributions, intergovernmental, and other revenue. In the Village's business-type activities, total revenues were \$16,499 and total expenses were \$4,709.
- The Village's general fund reported an increase in fund balance of \$9,448 during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts-management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other 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 fund 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

**Figure A-1
Major Features of Village's Government and Fund Financial Statements**

	Fund Statements		
	Government-wide Statements	Governmental Fund	Proprietary Fund
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 balance 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, 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 are 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

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.

The Village has two kinds of funds:

- Governmental fund-Most of the Village's basic services are included in the governmental fund, 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 fund 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 fund statement, or on the subsequent page, that explains the relationship (or differences) between them.
- Proprietary fund-Services for which the Village charges customers a fee is generally reported in the proprietary fund. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information.
 - In fact, the Village's enterprise fund (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

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Net position. The Village's combined net position was \$787,011 at the end of the fiscal year. (See Table A-1.)

Table A-1

Village's Net Position

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
Current and other assets	\$ 433,092	\$ 426,941	\$ 308,356	\$ 298,572
Capital assets, net	322,776	358,170	-	-
Total assets	755,868	785,111	308,356	298,572
Deferred outflows of resources	93,000	121,983	-	-
Total assets and deferred outflows of resources	848,868	907,094	308,356	298,572
Current liabilities	5,573	8,870	-	2,006
Long-term liabilities	353,595	326,335	-	-
Total liabilities	359,168	335,205	-	2,006
Deferred inflows of resources	11,045	17,010	-	-
Total liabilities and deferred inflows of resources	370,213	352,215	-	2,006
Net position				
Net investment in capital assets	322,776	358,170	-	-
Unrestricted	155,879	196,709	308,356	296,566
Total net position	\$ 478,655	\$ 554,879	\$ 308,356	\$ 296,566

Changes in net position. The Village's total revenues for all activities was \$425,897 at year end (See Table A-2.) Approximately 69 percent of the Village's revenue comes from charges for services. Taxes and licenses make up 22 percent and the remaining make up interest, operating grants, and miscellaneous revenue.

The total cost of all programs and services were \$490,331. The Village's expenses cover all services performed by its office.

VILLAGE OF PORT VINCENT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

Table A-2
Changes in Village's Net Position

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
Revenues				
Program revenues				
Charges for services	\$ 283,695	\$ 387,731	\$ 12,089	\$ 48,564
Operating grants & contributions	1,653	9,953	-	-
General revenues				
Intergovernmental	91,892	88,012	-	-
Miscellaneous	26,395	29,537	-	-
Interest	5,763	6,937	4,410	2,847
Total revenues	409,398	522,170	16,499	51,411
Expenses				
General government	247,396	223,144	4,709	55,741
Public safety	238,226	297,850	-	-
Total expenses	485,622	520,994	4,709	55,741
Excess (deficiency) before special item	(76,224)	1,176	11,790	(4,330)
Special Item				
Sale of waterworks assets	-	-	-	24,838
Changes in net position	\$ (76,224)	\$ 1,176	\$ 11,790	\$ 20,508

Governmental Activities

Revenues for the Village's governmental activities were \$76,224 less than total expenses for year end. The cost of all governmental activities this year was \$485,622. Decreases in revenues are primarily due to less law enforcement activity on traffic violations and grants received.

Business-type Activities

Revenues were \$12,089 and expenses were \$4,709 of the Village's business-type activities. During 2019, the Village sold the assets of the business-type activities.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As the Village completed the year, its governmental fund reported a fund balance of \$427,519. General Fund's fund balance increased by \$9,448. There was a decrease in revenues due to less law enforcement activity on traffic violations and grants received. The Village's Proprietary Fund increased net position by \$11,790 over the year. Revenues and expenses decreased compared to prior year due to the closing of the utility activities.

VILLAGE OF PORT VINCENT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, there was one amendment made to the general fund budget. Revenues decreased by \$100,000 and were attributed to fines and court fees decreasing by \$100,000.

Expenditures decreased by \$52,000 and were attributed to a decrease of \$24,700 in general government, a decrease of \$21,800 in public safety, and an increase of \$5,500 in capital outlay.

CAPITAL ASSETS

At the end of 2020, the Village had invested approximately \$322,776 in a broad range of capital assets, including police equipment, vehicles, buildings, and improvements. (See Table A-3)

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

	Governmental Activities
Land	\$ 87,309
Buildings & Improvements	219,771
Equipment, Furniture & Fixtures	54,657
Vehicles	142,749
Less: Accumulated depreciation	(181,710)
Total	<u>\$ 322,776</u>

During the year, the Village purchased equipment for \$4,500. There were no disposals in the current year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Village is dependent on moving violation fines and court costs for 31% of its revenues and non-moving violation fines and court costs for 48% of its revenues. Taxes, licenses, fees, and permits account for 13%. Grants, supplemental pay, and other general revenues account for 8% of revenues. The economy is not expected to generate any significant growth; therefore, the Village's revenues and expenditures are expected to remain comparable to 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. Johnnie Page, Mayor, 18235 LA Hwy 16, Port Vincent, LA 70726.

VILLAGE OF PORT VINCENT
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
<u>ASSETS</u>			
Cash and cash equivalents	\$ 420,728	\$ 308,356	\$ 729,084
Receivables	12,364	-	12,364
Nondepreciable capital assets	87,309	-	87,309
Capital assets, net of accumulated depreciation	<u>235,467</u>	<u>-</u>	<u>235,467</u>
Total assets	<u>755,868</u>	<u>308,356</u>	<u>1,064,224</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related	<u>93,000</u>	<u>-</u>	<u>93,000</u>
Total deferred outflows of resources	<u>93,000</u>	<u>-</u>	<u>93,000</u>
Total assets and deferred outflows of resources	<u>\$ 848,868</u>	<u>\$ 308,356</u>	<u>\$ 1,157,224</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>			
<u>LIABILITIES</u>			
Accrued expenses	\$ 5,573	\$ -	\$ 5,573
Long-term liabilities:			
Net pension liability	<u>353,595</u>	<u>-</u>	<u>353,595</u>
Total liabilities	<u>359,168</u>	<u>-</u>	<u>359,168</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related	<u>11,045</u>	<u>-</u>	<u>11,045</u>
Total deferred inflows of resources	<u>11,045</u>	<u>-</u>	<u>11,045</u>
Total liabilities and deferred inflows of resources	<u>370,213</u>	<u>-</u>	<u>370,213</u>
<u>NET POSITION</u>			
Net investment in capital assets	322,776	-	322,776
Unrestricted	<u>155,879</u>	<u>308,356</u>	<u>464,235</u>
Total net position	<u>478,655</u>	<u>308,356</u>	<u>787,011</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 848,868</u>	<u>\$ 308,356</u>	<u>\$ 1,157,224</u>

See accompanying notes and independent accountants' review report.

VILLAGE OF PORT VINCENT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary government:						
Governmental activities:						
General government	\$ 247,396	\$ -	\$ 1,653	\$ (245,743)	\$ -	\$ (245,743)
Public safety	238,226	283,695	-	45,469	-	45,469
Total governmental activities	<u>485,622</u>	<u>283,695</u>	<u>1,653</u>	<u>(200,274)</u>	<u>-</u>	<u>(200,274)</u>
Business-type activities:						
Utility operations	4,709	12,089	-	-	7,380	7,380
Total primary government	<u>\$ 490,331</u>	<u>\$ 295,784</u>	<u>\$ 1,653</u>	<u>(200,274)</u>	<u>7,380</u>	<u>(192,894)</u>
General Revenues:						
Intergovernmental revenues:						
				16,300	-	16,300
				3,900	-	3,900
				161	-	161
				39,002	-	39,002
				16,701	-	16,701
				15,828	-	15,828
				5,763	4,410	10,173
Other:						
				9,447	-	9,447
				8,016	-	8,016
				8,932	-	8,932
				<u>124,050</u>	<u>4,410</u>	<u>128,460</u>
Change in net position				(76,224)	11,790	(64,434)
Total net position - July 1, 2019				<u>554,879</u>	<u>296,566</u>	<u>851,445</u>
Total net position - June 30, 2020				<u>\$ 478,655</u>	<u>\$ 308,356</u>	<u>\$ 787,011</u>

See accompanying notes and independent accountants' review report.

VILLAGE OF PORT VINCENT
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2020

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 420,728
Receivables	<u>12,364</u>
Total assets	<u><u>\$ 433,092</u></u>
 LIABILITIES	
Accrued expenses	<u>\$ 5,573</u>
Total liabilities	<u>5,573</u>
 FUND BALANCE	
Unassigned	<u>427,519</u>
Total fund balance	<u>427,519</u>
 Total liabilities and fund balance	 <u><u>\$ 433,092</u></u>

See accompanying notes and independent accountants' review report.

VILLAGE OF PORT VINCENT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total fund balance at June 30, 2020 - Governmental Fund		\$ 427,519
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows - pension related		93,000
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund		
Cost of capital assets at June 30, 2020	\$ 504,486	
Less: accumulated depreciation as of June 30, 2020	<u>(181,710)</u>	322,776
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental fund		
Net pension liability		(353,595)
Deferred inflows - pension related		<u>(11,045)</u>
Total net position at June 30, 2020 - Governmental Activities		<u>\$ 478,655</u>

See accompanying notes and independent accountants' review report.

VILLAGE OF PORT VINCENT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>
REVENUES	
Fines and court fees	\$ 283,695
Intergovernmental revenues:	
State and local grants	1,653
State supplemental	16,300
Parish supplemental	3,900
Beer tax	161
Franchise taxes and permits	39,002
Insurance premium tax	16,701
Occupational licenses	15,828
Interest income	5,763
Other:	
Cellular tower rental	9,447
Other income	8,932
Total revenues	<u>401,382</u>
 EXPENDITURES	
Current:	
General government	207,502
Public safety	179,932
Capital outlay	4,500
Total expenditures	<u>391,934</u>
 Net change in fund balance	 9,448
 Fund balance at beginning of year	 <u>418,071</u>
 Fund balance at end of year	 <u>\$ 427,519</u>

See accompanying notes and independent accountants' review report.

VILLAGE OF PORT VINCENT
RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2020

Total net change in fund balance for the year ended June 30, 2020 \$ 9,448

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by capital outlays exceeded depreciation in the current period.

Capital outlay included in expenditures	4,500	
Depreciation expense for year ended June 30, 2020	<u>(39,894)</u>	(35,394)
Non-employer contributions to cost-sharing pension plan		8,016
Change in net pension liability and deferred inflows/outflows of resources		<u>(58,294)</u>
Change in net position - Governmental Activities		<u>\$ (76,224)</u>

See accompanying notes and independent accountants' review report.

VILLAGE OF PORT VINCENT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2020

	<u>Enterprise Fund</u>
ASSETS	
Cash and cash equivalents	\$ 308,356
Total assets	<u>308,356</u>
NET POSITION	
Unrestricted	<u>308,356</u>
TOTAL NET POSITION	<u>\$ 308,356</u>

See accompanying notes and independent accountants' review report.

VILLAGE OF PORT VINCENT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
JUNE 30, 2020

	<u>Enterprise Fund</u>
OPERATING REVENUES	
Charges for service	\$ 12,089
Total operating revenues	12,089
OPERATING EXPENSES	
Administration	1,365
Maintenance	1,861
Utilities	1,483
Total operating expenses	4,709
Operating income	7,380
NONOPERATING INCOME	
Interest income	4,410
Total nonoperating income	4,410
Increase in net position	11,790
Total net position - beginning	296,566
Total net position - ending	\$ 308,356

See accompanying notes and independent accountants' review report.

VILLAGE OF PORT VINCENT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from customers	\$ 12,089
Payments to suppliers	(4,802)
Net cash provided by operating activities	<u>7,287</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest received	<u>4,410</u>
Net cash provided by investing activities	<u>4,410</u>

Net increase in cash and cash equivalents 11,697

Cash and cash equivalents - July 1, 2019 296,659

Cash and cash equivalents - June 30, 2020 \$ 308,356

RECONCILIATION OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating loss	\$ 7,380
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	1,913
Decrease in customer advances	(2,006)
Net cash provided by operating activities	<u><u>\$ 7,287</u></u>

See accompanying notes and independent accountants' review report.

VILLAGE OF PORT VINCENT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and Alderwoman form of government (LA. RS: 33:321-48) and provides the services set forth in its charter. The Village is governed by a mayor and three aldermen & alderwoman.

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 basic 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 THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 fund:

- 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.

The Village reports the following proprietary fund:

Enterprise 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.

VILLAGE OF PORT VINCENT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The governmental fund is 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 fund 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 the governmental fund. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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 THE FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and Alderwomen 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 and Alderwomen.
- 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.

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. The Village maintains a threshold of \$1,000 or more for capitalizing assets.

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	20-40
Vehicles	5
Equipment	5-10

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

VILLAGE OF PORT VINCENT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivables

All receivables are reported net of estimated uncollectible amounts. Management has determined that accounts over 90 days are uncollectible. Allowances for uncollectible accounts are based upon historical trends and the periodic aging of accounts receivables.

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. Earnings are recorded in the general and proprietary funds.

Annual and Sick Leave

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

Pension Plans

The Village is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

VILLAGE OF PORT VINCENT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Net investment in capital assets – This component consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.

Restricted net position – This component consists of net position with constraints placed on either by external groups such as creditors, grantors, contributors, laws, or regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position – This component consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

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 THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Village has one item that qualifies for this category; pension related deferrals, which are reported in the government-wide statement.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Village has one item that qualifies for this category; pension related deferrals. The amounts deferred are recognized as an inflow of resources in the period that the amount becomes available.

2. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2020, are as follows:

Governmental activities:

	<u>Land</u>	<u>Building & Improvements</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost of Capital Assets, June 30, 2019	\$ 87,309	\$ 219,771	\$ 50,157	\$ 142,749	\$ 499,986
Additions	-	-	4,500	-	4,500
Deletions	-	-	-	-	-
Cost of Capital Assets, June 30, 2020	<u>87,309</u>	<u>219,771</u>	<u>54,657</u>	<u>142,749</u>	<u>504,486</u>
Accumulated depreciation, June 30, 2019	-	61,631	34,302	45,883	141,816
Additions	-	7,704	3,940	28,250	39,894
Deletions	-	-	-	-	-
Accumulated depreciation, June 30, 2020	<u>-</u>	<u>69,335</u>	<u>38,242</u>	<u>74,133</u>	<u>181,710</u>
Capital assets, net of accumulated depreciation at June 30, 2020	<u>\$ 87,309</u>	<u>\$ 150,436</u>	<u>\$ 16,415</u>	<u>\$ 68,616</u>	<u>\$ 322,776</u>

For the year ended June 30, 2020, depreciation expense was \$39,894. Depreciation expense of \$12,766 was charged to General Government and \$27,128 was charged to Public Safety.

VILLAGE OF PORT VINCENT

NOTES TO THE FINANCIAL STATEMENTS

3. CASH AND CASH EQUIVALENTS

At June 30, 2020, the Village's cash and cash equivalents (book balance) consisted of the following:

	<u>Governmental Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Demand Deposits	\$ 56,052	\$ 30,179	\$ 86,231
Funds held in LAMP	364,676	278,177	642,853
Total cash and cash equivalents	<u>\$ 420,728</u>	<u>\$ 308,356</u>	<u>\$ 729,084</u>

The demand deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value for the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

The Village invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

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

- Credit risk: LAMP is rated AAAM by Standard & Poor's
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for US Government floating/variable rate investments.
- Foreign currency risk: Not applicable.

VILLAGE OF PORT VINCENT

NOTES TO THE FINANCIAL STATEMENTS

3. CASH AND CASH EQUIVALENTS (continued)

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Custodial Credit Risk

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 Village does not have a deposit policy for custodial credit risk. As of June 30, 2020, these deposits were completely collateralized and/or insured.

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, and other political subdivisions. The Village's investment policy does not further limit its investment choices.

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 (LMRMA). This policy includes general liability insurance as well as liability insurance for the Village Hall, Community Center, police vehicles and officers, and an errors and omissions policy on the public officials. In addition, the Village has purchased building and contents insurance on the Village Hall, Community Center, comprehensive and collision insurance on the police car and worker's compensation insurance.

VILLAGE OF PORT VINCENT

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION AND RETIREMENT PLAN

The Village of Port Vincent (the Village) is a participating employer in a cost-sharing defined benefit pension plan. The plan is administered by a public employee retirement system, the Municipal Police Employees' Retirement System (MPERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of the plan to the State Legislature. The system is administered by a separate board of trustees.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. The report may be obtained by writing, calling or downloading the report as follows:

MPERS:

7722 Office Park Boulevard, Suite 200
Baton Rouge, LA 70809
(225) 929-7411
www.lampers.org

The Village implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB 68. These standards require the Village to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

Plan Description: Municipal Police Employees' Retirement System (MPERS)

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

The following is a brief description of the plan and its benefits and is provided for general information purposes only.

Membership prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200.00 per month, whichever is greater.

VILLAGE OF PORT VINCENT

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION AND RETIREMENT PLAN (continued)

Membership Commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments: The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

Deferred Retirement Option Plan: A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

VILLAGE OF PORT VINCENT

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION AND RETIREMENT PLAN (continued)

Initial Benefit Option Plan: In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Funding Policy

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

Contributions to the plan are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2020, for the Village and covered employees were as follows:

	<u>Village</u>	<u>Employees</u>
All employees hired prior to 01/01/2013 and all Hazardous Duty employees hired after 01/01/2013	32.50%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	32.50%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	34.25%	7.50%

The Village's contributions made to the System for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
MPERS	\$ 36,151	\$ 39,178	\$ 35,063

VILLAGE OF PORT VINCENT

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION AND RETIREMENT PLAN (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The following schedule lists the Village's proportionate share of the Net Pension Liability allocated by the pension plan based on the June 30, 2019 measurement date. The Village uses this measurement to record its Net Pension Liability and associated amount as of June 30, 2020, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2019 along with the change compared to the June 30, 2018 rate. The Village's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30,	Rate at June 30,	Increase (Decrease) on Rate
MPERS			
2020	\$ 353,595	0.0389%	0.0003%
2019	\$ 326,335	0.0386%	0.0014%
2018	\$ 325,103	0.0372%	0.0031%

The pension plan's recognized pension expense of the Village for the year ended June 30, 2020 was \$94,445.

At June 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources 2020	Deferred Inflows of Resources 2020
Differences between expected and actual experience	\$ 742	\$ (10,879)
Changes in assumptions	19,815	-
Net difference between projected and actual earnings on pension plan investments	22,972	-
Changes in proportion and differences in employer contributions and proportionate share of contributions	13,320	-
Differences between allocated and actual contributions	-	(166)
Employer contributions subsequent to the measurement date	36,151	-
	<u>\$ 93,000</u>	<u>\$ (11,045)</u>

VILLAGE OF PORT VINCENT

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION AND RETIREMENT PLAN (continued)

The Village reported a total of \$36,151 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

Year		
2020	\$	28,464
2021		2,377
2022		9,249
2023		5,713
	\$	45,804

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2020, are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Expected Remaining Service Lives	
2019 – 4 years	
2018 – 4 years	
2017 – 4 years	
2016 – 4 years	
 Investment Rate of Return	 7.125% net of investment expense
 Inflation Rate	 2.50%

Mortality - RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set-back 1 year for females) for healthy annuitant and beneficiaries. RP-2000 Disabled Lives Table set back 5 years for males and 3 years for females for disabled annuitants. RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.

Salary Increases	Years of Salary	Service Growth Rate
	1 - 2	9.75%
	3 - 23	4.75%
	Over 23	4.25%

VILLAGE OF PORT VINCENT

NOTES TO THE FINANCIAL STATEMENTS

5. PENSION AND RETIREMENT PLAN (continued)

Cost-of-Living Adjustments – The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experienced study performed by the prior actuary on plan data for the period of July 1, 2009 through June 30, 2014, and review of similar law enforcement mortality.

The actuarial assumption used in the June 30, 2019 valuation were based on the assumptions used in the June 30, 2019 actuarial funding valuation and were based on the results of an actuarial experience study for the period of July 1, 2009 through June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

The following method is used by the retirement system in determining the long-term rate of return on pension plan investments.

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for the major asset class included in the Retirement System target asset allocations as of June 30, 2019:

Asset Class	Target Allocation	Long-Term Expected
	MPERS	Real Rate of Return MPERS
Equity	48.50%	3.28%
Fixed Income	33.50%	0.80%
Alternatives	18.00%	1.06%
Other	0.00%	0.00%
Total	100.00%	5.14%
Inflation		2.75%
Expected Arithmetic Nominal Return		7.89%

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MPERS was 7.125% for the year ended June 30, 2019.

VILLAGE OF PORT VINCENT

NOTES TO THE FINANCIAL STATEMENTS

5. **PENSION AND RETIREMENT PLAN** (continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Village's proportionate share of the Net Pension Liability (NPL) using the discount rate for the Retirement System as well as what the Village's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by the Retirement System:

	<u>Changes in Discount Rate</u>		
	<u>1%</u>	<u>Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	6.125%	7.125%	8.125%
Net Pension Liability	<u>\$ 492,674</u>	<u>\$ 353,595</u>	<u>\$ 236,921</u>

Payables to the Pension Plan

The Village had an accrued liability to the MPERS for the year ended June 30, 2020 of \$4,373.

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Village recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from the non-employer contributing entities. The Village recognized revenue as a result of support received from MPERS of \$8,016.

6. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date the financials were available to be issued, November 24, 2020, noting that the COVID-19 outbreak in the United States has caused business disruptions and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact and duration cannot be reasonably estimated at this time.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

VILLAGE OF PORT VINCENT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Fines and court fees	\$ 382,500	\$ 282,500	\$ 283,695
Intergovernmental revenues:			
State and local grants	4,500	4,500	1,653
State supplemental	18,000	18,000	16,300
Parish supplemental	3,600	3,600	3,900
Beer tax	2,000	2,000	161
Franchise taxes and permits	30,000	30,000	39,002
Insurance premium tax	15,400	15,400	16,701
Occupational licenses	15,000	15,000	15,828
Interest income	-	-	5,763
Other:			
Cellular tower rental	8,000	8,000	9,447
Other income	6,000	6,000	8,932
Total revenues	<u>485,000</u>	<u>385,000</u>	<u>401,382</u>
EXPENDITURES			
Current:			
General government	246,400	221,700	207,502
Public Safety	228,600	206,800	179,932
Capital outlay	10,000	4,500	4,500
Total expenditures	<u>485,000</u>	<u>433,000</u>	<u>391,934</u>
Net change in fund balance	-	(48,000)	9,448
Fund balance, July 1, 2019	<u>372,434</u>	<u>372,434</u>	<u>418,071</u>
Fund balance, June 30, 2020	<u>\$ 372,434</u>	<u>\$ 324,434</u>	<u>\$ 427,519</u>

VILLAGE OF PORT VINCENT
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020 (*)

Municipal Police Employee's Retirement System	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Assets)	0.0389%	0.0386%	0.0372%	0.0341%	0.0210%	0.0114%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 353,595	\$ 326,335	\$ 325,103	\$ 319,173	\$ 164,427	\$ 71,232
Employer's Covered-Employee Payroll	\$ 121,483	\$ 114,026	\$ 111,169	\$ 95,390	\$ 63,891	\$ 29,510
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	291.0654%	286.1935%	292.4403%	334.5980%	257.3555%	241.3826%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.0078%	71.8871%	70.0815%	66.0422%	70.7300%	75.1000%

*Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

(*) The amounts represented have a measurement date of the previous fiscal year.

VILLAGE OF PORT VINCENT
SCHEDULE OF SYSTEM CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2020

Municipal Police Employee's Retirement System	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 36,159	\$ 39,178	\$ 35,063	\$ 35,296	\$ 28,140	\$ 20,126
Contributions in relation to contractually required contributions	<u>36,159</u>	<u>39,178</u>	<u>35,063</u>	<u>34,696</u>	<u>27,244</u>	<u>23,097</u>
Contribution deficiency (excess)	-	-	-	600	896	(2,971)
Employer's Covered Employee Payroll	\$ 111,258	\$ 121,483	\$ 114,026	\$ 111,169	\$ 95,390	\$ 63,891
Contributions as a % of Covered Employee Payroll	32.50%	32.25%	30.75%	31.75%	29.50%	31.50%

*Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

Notes to the Net Pension Liability Required Supplementary Information

Changes in Benefit Terms:

There were no changes in benefit terms for the fiscal year ended June 30, 2020.

Changes in Assumptions:

There were no changes in assumptions for the fiscal year ended June 30, 2020.

VILLAGE OF PORT VINCENT
SCHEDULE OF PER DIEM PAID
YEAR ENDED JUNE 30, 2020

	<u>ANNUAL</u>
Mayor, Johnnie Page	\$ 6,600
Aldermen/Alderwomen:	
Nicole Rambin-Dickson	1,800
Monya Crowell	1,800
Milton "Gray" Brady	<u>1,800</u>
	<u>\$ 12,000</u>

VILLAGE OF PORT VINCENT
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2020

Agency Head Name/Title: Johnnie Page, Mayor

Purpose	Amount
Salary	\$ 6,600
Per diem	-
Reimbursements	-
Registration fees	-
Conference travel	-
Lodging	-
Total	<u>\$ 6,600</u>



INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Honorable Mr. Johnnie Page, Mayor
And Board of Aldermen and Alderwomen
Port Vincent, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Village of Port Vincent, Louisiana and the Legislative Auditor, State of Louisiana, on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year ended June 30, 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

We examined the documentation noting no expenditures made exceeded thresholds.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

No exceptions noted.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of aldermen, employees, and aldermen and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

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

Management provided copy of original and amended budgets.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

No exceptions noted.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

No exceptions noted.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

No exceptions noted.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management represented that the Village is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertion other than an unmarked copy of the notices and agendas.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We scanned copies of bank deposit slips for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We scanned payroll disbursements and read the meeting minutes of the Village's board of aldermen for the fiscal year. We found no payments or approvals for payments to employees that would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Village's report is due on December 31, 2020 and is therefore, submitted timely.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management represented that the Village did not enter into any contracts utilizing state funds during the fiscal year.

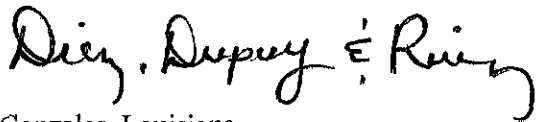
Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

The prior year report and management's representation did not include any suggestions, recommendations, and/or comments.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report 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.



Gonzales, Louisiana
November 24, 2020

LOUISIANA ATTESTATION QUESTIONNAIRE

Diez, Dupuy & Ruiz, LLC
1124 S Burnside Ave; Ste 300A
Gonzales, LA 70737

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2020 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.

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

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

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 []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

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.

Yes No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants 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 your report.

Yes No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No []

The previous responses have been made to the best of our belief and knowledge.

John P. [Signature] Mayor 11-20-20 Date
Lacy Karpinski Clerk 11-20-20 Date