

OFFICIAL  
FILE COPY  

---

DO NOT SEND OUT

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

Village of Port Vincent, Louisiana

Financial Report

June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 DEC 29 1999

TABLE OF CONTENTS

Financial Report

Village of Port Vincent, Louisiana  
Port Vincent, Louisiana

June 30, 1999

ACCOUNTANT'S COMPILATION REPORT . . . . . 1

GENERAL PURPOSE FINANCIAL STATEMENTS:

■ Combined Balance Sheet - All Fund Types and  
Account Group . . . . . 3

■ Statement of Revenues, Expenditures and  
Changes in Fund Balance - Governmental  
Fund Type - General Fund . . . . . 4

■ Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget (GAAP Basis) and  
Actual - General Fund . . . . . 6

■ Combined Statement of Revenues, Expenses  
and Changes in Retained Earnings - Proprietary  
Fund Type - Enterprise . . . . . 8

■ Combined Statement of Cash Flows - Proprietary  
Fund Type - Enterprise . . . . . 9

■ Notes to Financial Statements . . . . . 10

SUPPLEMENTARY FINANCIAL INFORMATION:

■ Schedule 1 - Combining Balance Sheet -  
Enterprise Fund . . . . . 30

■ Schedule 2 - Combining Statement of  
Revenues, Expenses, and Changes in  
Retained Earnings - Enterprise Fund . . . . . 31

■ Schedule 3 - Combining Statement of Cash Flows -  
Enterprise Fund . . . . . 32

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
AGREED-UPON PROCEDURES . . . . . 33

LOUISIANA ATTESTATION QUESTIONNAIRE . . . . .	38
SCHEDULE OF PRIOR YEAR FINDINGS . . . . .	41
MANAGEMENT'S CORRECTIVE ACTION PLAN . . . . .	42

# NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14481 OLD HAMMOND HIGHWAY, SUITE 4  
BATON ROUGE, LOUISIANA 70816

MEMBER OF THE  
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE  
AMERICAN INSTITUTE OF CPAs

PHONE (504) 272-1177

## ACCOUNTANT'S COMPILATION REPORT

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

I have compiled the accompanying general purpose financial statements of the Village of Port Vincent, Louisiana, as of and for the year ended June 30, 1999, and the accompanying supplemental information contained in Schedules 1, 2, and 3, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the Village of Port Vincent, Louisiana. I have not audited or reviewed the accompanying general purpose financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report, dated August 5, 1999 on the results of our agreed-upon procedures.

Baton Rouge, Louisiana,  
August 5, 1999.

*Neil G. Ferrari, CPA*

GENERAL PURPOSE FINANCIAL STATEMENTS

**VILLAGE OF PORT VINCENT, LOUISIANA  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUP**

**JUNE 30, 1999**

**With Comparative Totals for the Year Ended June 30, 1998**

	Governmental	Proprietary	Account	Totals	
	Fund Type	Fund Type	Group	(Memorandum Only)	
	General	Enterprise	General	1999	1998
	Fund		Fixed		
			Assets		
<b>ASSETS</b>					
Cash and investments of governmental funds	\$ 104,047	\$ 0	\$ 0	\$ 104,047	\$ 72,660
Cash and cash equivalents of proprietary funds	0	87,147	0	87,147	115,634
Grants receivable	21,218	0	0	21,218	10,850
Accounts receivable	0	3,120	0	3,120	7,174
Allowance for doubtful accounts	0	(1,554)	0	(1,554)	(6,323)
Other receivables	89	0	0	89	198
Equipment	0	0	44,041	44,041	33,811
Vehicles	0	0	64,351	64,351	45,506
Land	0	0	100	100	100
Building	0	0	97,299	97,299	97,299
Fixed assets, net of depreciation	0	546,376	0	546,376	568,919
<b>Total assets</b>	<b>\$ 125,354</b>	<b>\$ 635,089</b>	<b>\$ 205,791</b>	<b>\$ 966,234</b>	<b>\$ 945,828</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 860	\$ 3,558	\$ 0	\$ 4,418	\$ 3,221
Sales tax payable	0	0	0	0	85
Payroll taxes withheld	0	0	0	0	207
Utility revenues collected in advance	0	1,528	0	1,528	872
<b>Total liabilities</b>	<b>860</b>	<b>5,086</b>	<b>0</b>	<b>5,946</b>	<b>4,385</b>
<b>FUND EQUITY AND OTHER CREDITS</b>					
Contributed capital	0	551,146	0	551,146	574,286
Investment in general fixed assets	0	0	205,791	205,791	176,716
Retained earnings - unreserved	0	78,857	0	78,857	108,150
Fund balances:					
Undesignated	124,494	0	0	124,494	82,291
<b>Total fund equity and other credits</b>	<b>124,494</b>	<b>630,003</b>	<b>205,791</b>	<b>960,288</b>	<b>941,443</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 125,354</b>	<b>\$ 635,089</b>	<b>\$ 205,791</b>	<b>\$ 966,234</b>	<b>\$ 945,828</b>

See accompanying notes and accountant's compilation report

## VILLAGE OF PORT VINCENT, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND TYPE

For the year ended June 30, 1999

<b>REVENUES</b>	\$	97,877
Fines		
Intergovernmental:		
Grants:		
Department of Justice - COPS FAST		5,871
Department of Justice - COPS MORE		5,497
LA Commission on Law Enforcement and Administration of Criminal Justice:		
Police Department Equipment Grants		4,407
P.O.S.T. Grant		500
Livingston Parish Council Supplemental Grant		1,800
Louisiana Community Development Block Grant		0
Livingston Parish Council Law Enforcement Block Grant		0
Department of Justice - Church Arson Prevention		0
Revenue sharing - video poker tax		15,703
Beer tax		2,551
Tobacco tax		2,412
Franchise taxes and permits		18,604
Insurance premium tax		14,448
Occupational licenses		9,511
Interest income		3,845
Other:		
Bell South Tower Rental		6,000
Miscellaneous		194
		-----
Total revenues		189,220
		-----

**EXPENDITURES**

Current:		
General government:		
Compensation:		
Mayor and aldermen per diems		8,100
Salaries		8,351
Accounting and legal fees		8,269
Insurance		3,950
Utilities		2,476
Meeting and conventions		2,281
Telephone		2,058
Office expenses		2,038
Mileage reimbursement		1,880
Advertising		1,455
Lawn care and janitorial		1,412
Payroll taxes		1,263
Other		832

(Exhibit B continued on next page)

See accompanying notes and accountant's compilation report

**VILLAGE OF PORT VINCENT, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND TYPE**

For the year ended June 30, 1999

<b>EXPENDITURES - (continued)</b>	
Maintenance and repairs	\$ 592
Community center expenses	575
Dues and subscriptions	505
Pest control	190
Codification of ordinances	0
Annexation map	0
Public safety:	
Salaries	42,466
Insurance	9,602
Vehicle fuel, maintenance, and rental	5,512
Training and police supplies	4,605
Telephone and pagers	4,185
Pension expense	3,681
Insurance - health and dental	1,576
Conventions and meetings	1,414
Payroll taxes	856
Uniforms	852
Office expenses	676
Mileage reimbursements	318
Miscellaneous	285
Prisoner housing	179
Dues and licenses	110
Highways and streets:	
Street maintenance and repairs	7,806
Street lighting	2,462
Capital outlay	43,345
	176,157
Total expenditures	
	13,063
Excess of revenues over(under) expenditures	
<b>OTHER FINANCING SOURCES (USES)</b>	
Operating transfers from Waterworks Fund	30,000
Operating transfers to Garbage Service Fund	(860)
	42,203
Excess of revenues and other sources over(under) expenditures and other uses	
<b>FUND BALANCE</b>	
Beginning of year	82,291
	124,494
End of year	\$

See accompanying notes and accountant's compilation report



**VILLAGE OF PORT VINCENT, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Fines	\$ 85,000	\$ 97,877	\$ 12,877
Intergovernmental:			
Grants	30,000	18,075	(11,925)
Revenue sharing - video poker tax	14,500	15,703	1,203
Beer tax	2,500	2,551	51
Tobacco tax	2,400	2,412	12
Franchise taxes and permits	18,000	18,604	604
Insurance premium tax	6,000	14,448	8,448
Occupational licenses	9,000	9,511	511
Interest income	3,650	3,845	195
Other:			0
Bell South Tower Rental	6,000	6,000	0
Miscellaneous	0	194	194
<b>Total revenues</b>	<b>177,050</b>	<b>189,220</b>	<b>12,170</b>
<b>EXPENDITURES</b>			
Current:			
General government:			
Compensation	17,371	16,451	920
Accounting and legal fees	9,300	8,269	1,031
Insurance	4,300	3,950	350
Utilities	2,750	2,476	274
Meeting and conventions	2,500	2,281	219
Telephone	2,200	2,058	142
Office expense	2,100	2,038	62
Mileage reimbursement	2,000	1,880	120
Advertising	2,500	1,455	1,045
Lawn care and janitorial	1,500	1,412	88
Payroll taxes	1,329	1,263	66
Other	1,750	832	918
Maintenance and repairs	1,800	592	1,208
Community center expenses	600	575	25
Dues and subscriptions	500	505	(5)
Pest control	200	190	10

(Exhibit C continued on next page)

See accompanying notes and accountant's compilation report

VILLAGE OF PORT VINCENT, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

For the year ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES - (continued)</b>			
Public safety:			
Salaries	\$ 40,742	\$ 42,466	\$ (1,724)
Insurance	7,700	9,602	(1,902)
Vehicle fuel, maintenance, and rental	10,000	5,512	4,488
Training and police supplies	5,000	4,605	395
Telephone and pagers	5,000	4,185	815
Pension expense	3,667	3,681	(14)
Insurance - health and dental	0	1,576	(1,576)
Conventions and meetings	2,000	1,414	586
Payroll taxes	591	856	(265)
Uniforms	2,500	852	1,648
Office expenses	5,000	676	4,324
Mileage reimbursements	0	318	(318)
Miscellaneous	1,000	285	715
Prisoner housing	0	179	(179)
Dues and licenses	500	110	390
Highways and streets:			
Street maintenance and repairs	15,000	7,806	7,194
Street lighting	2,500	2,462	38
Capital outlay	45,000	43,345	1,655
Total expenditures	198,900	176,157	22,743
Excess of revenues over(under) expenditures	(21,850)	13,063	34,913
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers from Waterworks Fund	30,000	30,000	0
Operating transfers to Garbage Service Fund	(900)	(860)	40
Excess of revenues and other sources over(under) expenditures and other uses	7,250	42,203	\$ 34,953
<b>FUND BALANCE</b>			
Beginning of year	82,291	82,291	
End of year	\$ 89,541	\$ 124,494	

See accompanying notes and accountant's compilation report

## VILLAGE OF PORT VINCENT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE - ENTERPRISE

For the year ended June 30, 1999

**OPERATING REVENUES**

Charges for services	\$ 41,380
Connection fees	725
Penalty income	961
	<hr/>
Total operating revenues	43,066

**OPERATING EXPENSES**

Garbage collection	21,492
Depreciation	25,291
Administration	16,455
Maintenance	4,372
Utilities	3,615
	<hr/>

Total operating expenses	71,225
--------------------------	--------

Operating income(loss)	(28,159)
------------------------	----------

**NON-OPERATING REVENUE (EXPENSE)**

Interest income	4,866
	<hr/>

Income(loss) before operating transfers	(23,293)
---	----------

**OTHER FINANCING SOURCES (USES)**

Operating transfers in	860
Operating transfers out	(30,000)
	<hr/>

Net income(loss)	(52,433)
------------------	----------

Add depreciation on fixed assets acquired by capital grants that reduces contributed capital from municipality	23,140
	<hr/>

Net increase(decrease) in retained earnings	(29,293)
---	----------

**RETAINED EARNINGS**

Beginning of year	108,150
	<hr/>

End of year	\$ 78,857
	<hr/>

See accompanying notes and accountant's compilation report

**VILLAGE OF PORT VINCENT, LOUISIANA**

**COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE - ENTERPRISE**

For the year ended June 30, 1999

<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>	
Operating income(loss)	\$ (28,159)
Adjustments to reconcile operating income(loss) to cash provided by (used for) operating activities:	
Depreciation	25,291
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(715)
(Decrease) increase in:	
Accounts payable	1,547
Sales tax payable	(85)
Utility revenues collected in advance	656
	-----
Net cash provided by (used for) operating activities	(1,465)
	-----
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>	
Operating transfers from the General Fund	860
Operating transfers to the General Fund	(30,000)
	-----
Net cash used for non-capital financing activities	(29,140)
	-----
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>	
Interest earned on cash and cash equivalents	4,866
Purchase of equipment	(2,748)
	-----
Net cash provided by investing activities	2,118
	-----
<b><u>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</u></b>	<b>(28,487)</b>
	-----
<b><u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u></b>	<b>115,634</b>
	-----
<b><u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u></b>	<b>\$ 87,147</b>
	-----

Noncash capital activities:  
Fiscal year ended June 30, 1999 - None

See accompanying notes and accountant's compilation report

VILLAGE OF PORT VINCENT, LOUISIANA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

Note 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 (LA. 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 the 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 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. This 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



Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b. Reporting Entity: - (continued)

- 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 these 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).

c. Basis of Statement Presentation:

The accounting and reporting policies of the Village of Port Vincent conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:514; the Louisiana Governmental Audit Guide; and to the industry audit guide, Audits of State and Local Governmental Units.

d. Fund Accounting:

The Village uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. Fund Accounting: - (continued)

A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the Village are classified as governmental funds and proprietary funds. Governmental funds account for the Village's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The funds presented in the financial statements are described as follows:

Governmental Fund Type:

During fiscal year 1999, the Village had only one governmental fund type; that type being the 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.

Proprietary Fund Type:

The Village's proprietary fund type consists of two enterprise funds which provide water and garbage services. An Enterprise 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 are to be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

e. Account Group:

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following account group is not a "fund".

The General Fixed Assets Account Group represents a summary of the fixed assets of the Village, other than assets of the Proprietary Fund. Capital expenditures in funds other than the Proprietary Funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded, at cost, for control purposes in the General Fixed Assets Account Group. In accordance with generally accepted accounting principles for municipalities, depreciation is not recorded on general fixed assets.

f. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financial uses) in net current assets.

Governmental funds are accounted for using the modified accrual basis. Their revenues are recognized in the accounting period in which they become available and measurable. Grant revenues are recorded when the Village is entitled to reimbursement of expenditures under the terms of the grant. Interest earned on idle cash and investments are recorded when the income is available. Other revenue sources are not generally



Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

f. Basis of Accounting: - (continued)

susceptible to accrual because they are not both measurable and available; accordingly, they are recorded when received. Expenditures, other than principal and interest on long-term debt, are recognized in the accounting period in which the liability is incurred, if measurable.

Proprietary funds are maintained on the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred. Revenues for utility services are accrued through year-end.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). They are recorded when the transfer is made.

g. Budgetary Policy and Accounting:

The Mayor and Board of Aldermen prepare an annual operating budget for general governmental activities using the modified accrued basis of accounting which is consistent with generally accepted accounting principles (GAAP).

The following procedures were followed in establishing the budgetary data reflected in these financial statements:

- On June 8, 1998, the Mayor and Board of Aldermen met in a special meeting to begin discussing and preparing a budget for fiscal year 1999. A follow-up special meeting was held on June 14, 1998, to complete the budget and accept a proposed budget for fiscal year 1999. It was also decided to hold a public hearing on the proposed budget on June 30, 1998.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

g. Budgetary Policy and Accounting: - (continued)

■ On June 30, 1998, a special meeting was held to conduct a public hearing to review and discuss the proposed budget. Following a discussion about the budget, adjustments were made. The public hearing was closed and the proposed budget for fiscal year 1999 was adopted by the Mayor and Board of Aldermen.

Once a budget is approved, it can be amended by approval of a majority of the Board of Aldermen. The procedure of amending the budget must also follow the requirements set forth in state law that apply to adopting the initial budget.

There was one amendment made to the budget that was initially adopted for fiscal year 1999. On May 5, 1999, a special meeting of the Village's Mayor and Board of Aldermen was held to hold a public hearing and discuss the budget amendment. Following the public hearing, the amendment was approved.

All budget appropriations lapse at year end.

h. Cash and Cash Equivalents - Enterprise Funds:

Cash is represented by (a) currency on hand, (b) cash in demand deposits with banks and other financial institutions, and (c) deposits in other kinds of accounts or cash management pools having characteristics of demand deposit accounts that allow deposits or withdrawals without penalty or notice.

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.

Cash and cash equivalent amounts in these financial statements are stated at cost or amortized cost, where applicable. Cost or amortized cost amounts also approximate their fair values.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

i. 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.

j. Bad Debts:

The Village uses the allowance method to recognize bad debts for utility receivables. The allowance is based on management's estimate of uncollectible receivables as of the end of each year.

k. General Fixed Assets:

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures (capital outlays) in the governmental fund types when purchased. Fixed assets include land, buildings, equipment, and vehicles owned by the Village and they are valued at historical cost or estimated historical cost, if historical cost is not available. No costs have been estimated because historical cost information was available for all fixed assets. In cases where assets are constructed with borrowed money the interest expense paid on the related debt is capitalized as part of the cost of the asset. No depreciation has been provided on assets in the General Fixed Assets Account Group, nor has any interest been capitalized as part of their cost.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

k. General Fixed Assets: - (continued)

It is the Village's policy to capitalize as fixed assets purchases of movable property costing at least \$200. Purchases of moveable property costing less than \$200 may also be capitalized for internal control purposes.

l. Infrastructure:

The Village has elected to not capitalize infrastructure. Infrastructure, or public domain general fixed assets, are immovable assets generally of value only to the state or local government. Therefore, improvements, such as; roads, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems have not been capitalized.

m. Fixed Assets - Enterprise Funds:

Fixed assets used by the enterprise funds are stated at cost. Unlike general fixed assets, depreciation on Proprietary Fund fixed assets has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives of these assets are as follows:

Water distribution systems	25 years
Well site improvements	9 - 10 years
Furniture and office equipment	7 years

The capitalization policy for fixed assets purchased for the Proprietary Fund is the same as the policy used for general fixed assets.

n. Annual and Sick Leave:

The Village's annual and sick leave policy does not provide for the accumulation and vesting of leave. In other words, an employee must "use or lose" any earned leave during the fiscal year. As a result, the Village has not accrued any unpaid costs relating to unused leave in the financial statements.



Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

o. Pension Plans:

All full-time police department employees and police chiefs earning at least \$100 per month are required to participate in the Municipal Police Employees' Retirement System. All other employees participate in the Federal Social Security Program. The Village does not guarantee any of the benefits provided by either of these programs.

p. Transfers:

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due from and due to accounts.

The only transfers during the year consisted of cash transferred from the General Fund to the Enterprise Fund (Garbage Service) to pay for garbage fees of citizens of Port Vincent who are over 80 years old and \$30,000 was transferred from the Enterprise Fund (Waterworks Service) to the General Fund to pay for a new police vehicle and equipment to completely "outfit" the vehicle.

q. Reservations and Designations of Fund Balances:

Reserved fund balances represent those portions of the fund balance which are either not available for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources as approved by the Board of Aldermen. At year end, there were no designated or reserved fund balances.

r. Management's Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

s. Proprietary Fund Accounting:

For proprietary fund accounting, the Village follows all GASB pronouncements and all FASB Statements and Interpretations, APB Opinions and ARB's, no matter when issued, except those that conflict with a GASB pronouncement.

t. Total Columns in the Financial Statements:

Certain "total" columns in the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - CASH AND INVESTMENTS - GOVERNMENTAL FUND TYPES

At June 30, 1999, the Village's cash and investments - governmental fund types consisted of the following:

Cash:	
Petty cash	\$        60
Demand deposits	<u>10,697</u>
Total cash	10,757
Investments:	
Funds held in LAMP	<u>93,290</u>
Total cash and investments	<u>\$104,047</u> =====

The demand deposit amounts hereabove are comprised of two bank accounts at Deposit Guaranty National Bank and have a combined collected bank balance of \$15,363 as of June 30, 1999. In accordance with GASB Statement No 3., these deposits are classified as a "Category 1" type risk because they are covered entirely by federal deposit insurance.

Note 2 - CASH AND INVESTMENTS - GOVERNMENTAL FUND TYPES -  
(continued)

State statutes authorize the Village to invest temporarily idle monies in the following:

1. United States Treasury Bonds,
2. United States Treasury Notes,
3. United States Treasury Bills,
4. Obligations of U.S. Government Agencies, including such instruments as Federal Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds,
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana,
6. Fully collateralized repurchase agreements,
7. Fully collateralized interest-bearing checking accounts, and
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.
9. Any other investment allowed by state statute for local governments.
10. Louisiana Asset Management Pool (LAMP).

At June 30, 1999, the Village had invested money in the Louisiana Asset Management Pool (LAMP). LAMP, a local government pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. Although LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. 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.

Note 2 - CASH AND INVESTMENTS - GOVERNMENTAL FUND TYPES -  
(continued)

Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Note 3 - CASH AND CASH EQUIVALENTS - ENTERPRISE FUNDS

At June 30, 1999, the Village's Enterprise Funds had cash and cash equivalents totaling \$87,147, as follows:

Petty cash	\$	50
Demand deposits		2,596
Funds held in the Louisiana Asset Management Pool (LAMP)		<u>84,501</u>
Totals		<u>\$ 87,147</u> =====

The demand deposit amounts hereabove are comprised of two bank accounts at Deposit Guaranty National Bank and have a combined collected bank balance of \$5,232 as of June 30, 1999. In accordance with GASB Statement No. 3, these deposits are classified as a "Category 1" type risk because they are covered entirely by federal deposit insurance. Under state law, all bank deposits must be secured by federal deposit insurance, by the pledge of securities owned by the fiscal agent bank, or must be invested exclusively in instruments backed by the government of the United States of America.



Note 3 - CASH AND CASH EQUIVALENTS - ENTERPRISE FUNDS

For Enterprise Fund reporting purposes, any money held in LAMP is considered a cash equivalent. This reporting treatment is different from how LAMP funds are reported for the governmental fund types. This is because Enterprise Funds report their operations in a manner similar to business entities.

A description of LAMP type investments and the ability of the Village to use LAMP under state law can be found in Note 2.

Note 4 - GRANTS RECEIVABLE

Grants receivable at June 30, 1999 consisted of the following:

Department of Justice:	
COPS FAST	\$11,446
COPS MORE	<u>9,772</u>
	<u>\$21,218</u>

Note 5 - CAPITAL CONTRIBUTIONS - ENTERPRISE FUND

During the year ended June 30, 1998, construction was completed on a new water well. The well was constructed under a federal grant. The well, which cost \$578,494, was contributed by the Village to the Enterprise Fund. The cost of the well will be depreciated over 25 years. The annual depreciation will be offset against the capital contribution account.

A summary of the changes in the contributed capital account for the year ended June 30, 1999 are as follows:

Beginning of year	\$574,286
Less: Depreciation of water well	<u>(23,140)</u>
End of year	<u>\$551,146</u>

Note 6 - CHANGES IN FIXED ASSETS

- a. A summary of changes in general fixed assets and investment in general fixed assets for the year ended June 30, 1999, are as follows:

	<u>Beginning Of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End Of Year</u>
<u>General Fixed Assets</u>				
Equipment	\$ 33,811	\$ 12,437	\$ (2,207)	\$ 44,041
Vehicles	45,506	30,908	(12,063)	64,351
Land	100	-	-	100
Building	<u>97,299</u>	<u>-</u>	<u>-</u>	<u>97,299</u>
Totals	\$176,716 =====	\$ 43,345 =====	\$(14,270) =====	\$205,791 =====
<u>Investment in General Fixed Assets</u>				
General Fund	\$ 91,969	\$ 38,938	\$(14,270)	\$116,637
Grants from State of Louisiana:				
Building	75,000	-	-	75,000
Police equipment	<u>9,747</u>	<u>4,407</u>	<u>-</u>	<u>14,154</u>
Totals	\$176,716 =====	\$ 43,345 =====	\$(14,270) =====	\$205,791 =====

- b. A summary of changes in Proprietary Fund fixed assets for the year ended June 30, 1999 is as follows:

	<u>Beginning Of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End Of Year</u>
Distribution systems	\$618,450	\$ -	\$ -	\$618,450
Well-site improvements	14,479	2,748	-	17,227
Furniture	2,223	-	-	2,223
Copy machine	<u>935</u>	<u>-</u>	<u>-</u>	<u>935</u>
Subtotals	636,087	2,748	-	638,835
Less accumulated depreciation	<u>(67,168)</u>	<u>(25,291)</u>	<u>-</u>	<u>(92,459)</u>
Totals	\$568,919 =====	\$(22,543) =====	\$ - =====	\$546,376 =====

Note 6 - CHANGES IN FIXED ASSETS - (continued)

Depreciation expense was \$25,291 for the year ended June 30, 1999.

Note 7 - PENSION PLAN

All full-time police department employees engaged in law enforcement and all police chiefs earning at least \$100 per month are required to participate in the Municipal Police Employees Retirement System of Louisiana, which is a cost-sharing multiple employer plan. Plan contributions are funded at 9% of gross salary, including any state supplemental pay, but not including any overtime. Additionally, employee contributions are made at the rate of 7.5%. State statute specifies the required contribution percentages. The difference between the annual actuarially required employer rate and the 9% rate established by statute is funded through assessments against casualty insurers in the state.

	Year Ended <u>06/30/99</u>	Year Ended <u>06/30/98</u>	Year Ended <u>06/30/97</u>
Total payroll*	\$58,917	\$51,869	\$51,150
Covered payroll*	38,616	25,277	26,850
Pension expense	3,681	2,384	2,739

\* State supplemental pay of \$1,200 is not included.

All of the required contributions have been made.

Employees who retire with 25 years of service, at any age, or at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Early retirement, at reduced benefits is available for any member who has 20 years or more of service but who has not reached age 50. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Members are not considered fully vested until they have attained both the age and the years of service required to receive regular retirement benefits.

Note 7 - PENSION PLAN - (continued)

Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The Plan also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Room 270, Baton Rouge, Louisiana 70898-4619, or calling (225) 929-7411.

Note 8 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Village maintains two enterprise funds which provide water and garbage services. Segment information for the year ended June 30, 1999 was as follows:

	<u>Waterworks</u>	<u>Garbage</u>	<u>Totals</u>
Operating revenues	\$ 19,547	\$23,519	\$ 43,066
Depreciation	25,224	67	25,291
Operating income(loss)	(26,953)	(1,206)	(28,159)
Operating transfers in(out)	(30,000)	860	(29,140)
Net income (loss)	(52,355)	(78)	(52,433)
Current capital:			
Transfers in(out)	(23,140)	-	(23,140)
Property, Plant, and Equipment:			
Additions	2,748	-	2,748
Deletions	-	-	-
Net working capital	79,397	4,230	83,627
Total assets	626,297	8,792	635,089
Total equity	625,489	4,514	630,003



Note 9 - PER DIEMS PAID TO MAYOR AND ALDERMEN

The Mayor receives a per diem of \$300 per regular meeting attended and \$150 for special meetings, and the Aldermen receive a per diem of \$75 per regular meeting attended and \$37.50 for special meetings. Payments for special meetings are limited to one special meeting per month. Per diems received during the year ended June 30, 1999 were as follows:

Mayor, Peggy Savoy	\$4,650.00
Alderman, John Dorris	1,125.00
Alderman, Evelyn Baughman	1,162.50
Alderman, Mary Gourdon	<u>1,162.50</u>
Total	\$8,100.00 =====

Note 10 - RELATED PARTY TRANSACTIONS

There were not any related party transactions during the fiscal year.

Note 11 - LITIGATION

As of June 30, 1999, the Village is a defendant in a lawsuit in which a man and his wife filed a claim against the Village, and several law enforcement officers and other agencies, alleging that they were arrested without probable cause and that excessive force was used in the arrest. Since the plaintiffs sued pursuant to the federal civil rights act, the case was removed to federal court, where it is currently pending. Discovery is complete, but no trial date has been set. The Village is vigorously defending this suit. The attorney for the Village believes that the outcome of the case will depend on determinations of fact. In the event of an adverse outcome, the amount of any potential loss to the Village (with the exception of punitive damages if they are awarded) will be covered by the Village's insurance.

Note 12 - INCOME TAXES

The Village is exempt from all Federal and Louisiana income taxes.

Note 13 - 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.

Note 14 - DISCLOSURE ABOUT THE YEAR 2000 ISSUE

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date sensitive systems may recognize the year 2000 as 1900 or some other date, processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year issue may be experienced before, on or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure, which could affect the Village's ability to conduct normal business operations.

The Village has purchased 5 new computers that are certified as being Y2K compliant and has upgraded software or purchased new software that is Y2K compliant for all operations except for a specialized software program used by the police department. This program will be upgraded as soon as the Y2K compliant version is available. Accordingly, the Village expects to be able to serve the general public, maintain its accounting records, and process payroll using these new computers and software. Management does not expect to have to spend any significant amounts of money to make its normal operations Y2K compliant.

Note 14 - DISCLOSURE ABOUT THE YEAR 2000 ISSUE - (continued)

The Village does not heavily rely on one vendor or a group of vendors to provide goods and services that the Village needs to perform its routine functions. There are alternatives available whereby the Village can acquire the goods and services it needs should the year 2000 prevent the usual vendors from meeting the Village's needs.

Despite all the efforts the Village's management can and will take to assess, remediate, and validate through testing the problems associated with the year 2000, management makes no guarantee that all systems and equipment used by the Village, suppliers, or other third parties will be year 2000 compliant.

SUPPLEMENTARY FINANCIAL INFORMATION



## VILLAGE OF PORT VINCENT, LOUISIANA

COMBINING BALANCE SHEET  
ENTERPRISE FUND

JUNE 30, 1998

With Comparative Totals for the Year Ended June 30, 1998

ASSETS	Waterworks	Garbage Service	Totals	
			1999	1998
<b>CURRENT</b>				
Cash and cash equivalents	\$ 79,908	\$ 7,239	\$ 87,147	\$ 115,634
Accounts receivable	479	2,641	3,120	7,174
Allowance for doubtful accounts	(182)	(1,372)	(1,554)	(6,323)
Total current assets	80,205	8,508	88,713	116,485
<b>FIXED</b>				
Waterworks system and equipment	638,368	467	638,835	636,087
Less accumulated depreciation	(92,276)	(183)	(92,459)	(67,168)
Total fixed assets	546,092	284	546,376	568,919
Total assets	\$ 626,297	\$ 8,792	\$ 635,089	\$ 685,404
<b>LIABILITIES</b>				
<b>CURRENT</b>				
Payable from current assets:				
Accounts payable	\$ 0	\$ 3,558	\$ 3,558	\$ 2,011
Sales tax payable	0	0	0	85
Revenues collected in advance	808	720	1,528	872
Total current liabilities	808	4,278	5,086	2,968
<b>CAPITAL</b>				
<b>CONTRIBUTIONS</b>				
From municipality	551,146	0	551,146	574,286
Total contributions	551,146	0	551,146	574,286
<b>RETAINED EARNINGS</b>				
Unreserved	74,343	4,514	78,857	108,150
Total retained earnings	74,343	4,514	78,857	108,150
Total capital	625,489	4,514	630,003	682,436
Total liabilities and capital	\$ 626,297	\$ 8,792	\$ 635,089	\$ 685,404

See accountant's compilation report

## VILLAGE OF PORT VINCENT, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
ENTERPRISE FUND

For the year ended June 30, 1999

With Comparative Totals for the Year Ended June 30, 1998

	Waterworks	Garbage Service	Totals	
			1999	1998
<b>OPERATING REVENUES</b>				
Charges for services	\$ 18,428	\$ 22,952	\$ 41,380	\$ 38,247
Connection fees	725	0	725	1,850
Penalty income	394	567	961	1,179
<b>Total operating revenues</b>	<b>19,547</b>	<b>23,519</b>	<b>43,066</b>	<b>41,276</b>
<b>OPERATING EXPENSES</b>				
Garbage collection	0	21,492	21,492	21,335
Depreciation	25,224	67	25,291	19,247
Administration	13,289	3,166	16,455	10,376
Maintenance	4,372	0	4,372	7,606
Utilities	3,615	0	3,615	3,898
Uncollectible accounts	0	0	0	2,461
<b>Total operating expenses</b>	<b>46,500</b>	<b>24,725</b>	<b>71,225</b>	<b>64,923</b>
<b>Operating income (loss)</b>	<b>(26,953)</b>	<b>(1,206)</b>	<b>(28,159)</b>	<b>(23,647)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest income	4,598	268	4,866	5,663
<b>Income (loss) before operating transfers</b>	<b>(22,355)</b>	<b>(938)</b>	<b>(23,293)</b>	<b>(17,984)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	0	860	860	862
Operating transfers out	(30,000)	0	(30,000)	0
<b>Net income (loss) before cumulative effect of change in accounting principle</b>	<b>(52,355)</b>	<b>(78)</b>	<b>(52,433)</b>	<b>(17,122)</b>
<b>Cumulative effect of change in accounting principle</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,862)</b>
<b>Net Income (loss)</b>	<b>(52,355)</b>	<b>(78)</b>	<b>(52,433)</b>	<b>(20,984)</b>
<b>Add depreciation on fixed assets acquired by capital grants that reduces contributed capital from municipality</b>	<b>23,140</b>	<b>0</b>	<b>23,140</b>	<b>17,355</b>
<b>Net increase (decrease) in retained earnings</b>	<b>(29,215)</b>	<b>(78)</b>	<b>(29,293)</b>	<b>(3,629)</b>
<b>RETAINED EARNINGS</b>				
Beginning of year	103,558	4,592	108,150	111,779
<b>End of year</b>	<b>\$ 74,343</b>	<b>\$ 4,514</b>	<b>\$ 78,857</b>	<b>\$ 108,150</b>

See accountant's compilation report

**VILLAGE OF PORT VINCENT, LOUISIANA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUND**

For the year ended June 30, 1999

With Comparative Totals for the Year Ended June 30, 1998

	Waterworks	Garbage Service	Totals	
			1999	1998
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating Income (loss)	\$ (26,953)	\$ (1,206)	\$ (28,159)	\$ (23,647)
Adjustments to reconcile operating income to cash provided by (used for) operating activities:				
Cumulative effect of change in accounting for bad debts	0	0	0	(3,862)
Depreciation	25,224	67	25,291	19,247
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	77	(792)	(715)	3,920
(Decrease) Increase in:				
Accounts payable	(217)	1,764	1,547	249
Sales tax payable	(85)	0	(85)	85
Utility revenues collected in advance	258	398	656	82
Net cash provided by (used for) operating activities	<u>(1,696)</u>	<u>231</u>	<u>(1,465)</u>	<u>(3,926)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Operating transfers from the General Fund	0	860	860	862
Operating transfers to the General Fund	<u>(30,000)</u>	<u>0</u>	<u>(30,000)</u>	<u>0</u>
Net cash provided by (used for) non-capital financing activities	<u>(30,000)</u>	<u>860</u>	<u>(29,140)</u>	<u>862</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest earned	4,598	268	4,866	5,663
Purchase of equipment	(2,748)	0	(2,748)	(530)
Purchases of investments	0	0	0	(55,035)
Redemptions of investments	0	0	0	108,883
Net cash provided by investing activities	<u>1,850</u>	<u>268</u>	<u>2,118</u>	<u>58,981</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(29,846)</u>	<u>1,359</u>	<u>(28,487)</u>	<u>55,917</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>109,754</u>	<u>5,880</u>	<u>115,634</u>	<u>59,717</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 79,908</u>	<u>\$ 7,239</u>	<u>\$ 87,147</u>	<u>\$ 115,634</u>

Noncash capital activities:

Fiscal year ended June 30, 1999 - None

Fiscal year ended June 30, 1998 - The Village contributed water well distribution system additions of \$180,292 to the Waterworks Enterprise Fund.

See accountant's compilation report

# NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14481 OLD HAMMOND HIGHWAY, SUITE 4  
BATON ROUGE, LOUISIANA 70816

MEMBER OF THE  
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE  
AMERICAN INSTITUTE OF CPAs

PHONE (504) 272-1177

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

To the Mayor and Board of Aldermen  
Village of Port Vincent, Louisiana  
and  
To the Legislative Auditor,  
State of Louisiana

I 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's compliance with certain laws and regulations during the year ended June 30, 1999 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. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I 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 \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).
  - One expenditure was made during the year for materials and supplies exceeding \$15,000 and no expenditures were made for public works exceeding \$100,000. I examined documentation which indicated that this expenditure had been purchased in accordance with state law.

## 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 interests 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 listing obtained from management in agreed-upon procedure(3) were also included on the listing obtained from management in agreed-upon procedure(2) as immediate family members.
  - None of the employees included on the list provided by management in agreed-upon procedure(3) appeared on the list provided by management in agreed-upon procedure(2).

## Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.
  - Management provided us with a copy of the original budget and the amended budget.
6. Trace the budget adoption and amendments to the minute book.
  - I traced the adoption of the original budget to the minutes of a meeting held on June 30, 1998 which indicated that the budget had been adopted by the aldermen of the Village of Port Vincent, Louisiana by a vote of 2 in favor and 0 opposed, with one alderman absent. I traced the adoption of the only budget amendment to the minutes of a meeting held on May 5, 1999 which indicated that the amended budget had been adopted by an unanimous vote of the aldermen.



■ While performing this agreed-upon procedure, I noted that the budget was not prepared in the form of an ordinance and was not published in the municipality's official journal.

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 more or if actual expenditures exceeded budgeted amounts by 5% or more.

■ Actual revenues and expenditures for the year 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;

■ I examined supporting documentation for each of the six selected disbursements and found that payment was for the 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 payments were properly coded to the correct fund and general ledger account.

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

■ All six payments were approved by the proper authorities.

### Meetings

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

■ The Village is only required to post a notice of each meeting and the accompanying agenda on the door of the Village Hall. I examined copies of the notices that were filed with the minutes and have observed notices posted at the Village Hall. Agendas were only prepared and posted for special meetings, but not for the regular monthly meetings.

### Debt

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

■ I inspected copies of all bank deposits slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, or similar indebtedness.

### Advances and Bonuses

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

■ When I read the minutes of the Village's meetings for the year, I did not note the approval to pay any bonuses, advances, or gifts. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

### Prior Year's Comments and Recommendations

My prior year report, dated July 16, 1998, disclosed the following matter that remains unresolved as of August 5, 1999.

■ Past due grant requests for reimbursements under COPS FAST and COPS MORE grants have not been filed.

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

This report is intended solely for the use of the 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. However, this report is a matter of public record and its distribution is not limited.

*Neil B. Ferrari, CPA*

Baton Rouge, Louisiana,  
August 5, 1999.



LOUISIANA ATTESTATION QUESTIONNAIRE

July 7, 1999

Neil G. Ferrari, CPA  
14481 Old Hammond Hwy, Ste 4  
Baton Rouge, LA 70816

In connection with your compilation of our financial statements as of and for the year ended June 30, 1999, and as required by Louisiana Revised Statute 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 July 7, 1999.

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes   X   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 LSA-RS 42:1101-1124.

Yes   X   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 LSA-RS 42:1119.

Yes   X   No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes   X   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 LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes   X   No       

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes   X   No       

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes   X   No       

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes   X   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 LSA-RS 39:1410.60-1410.65.

Yes   X   No

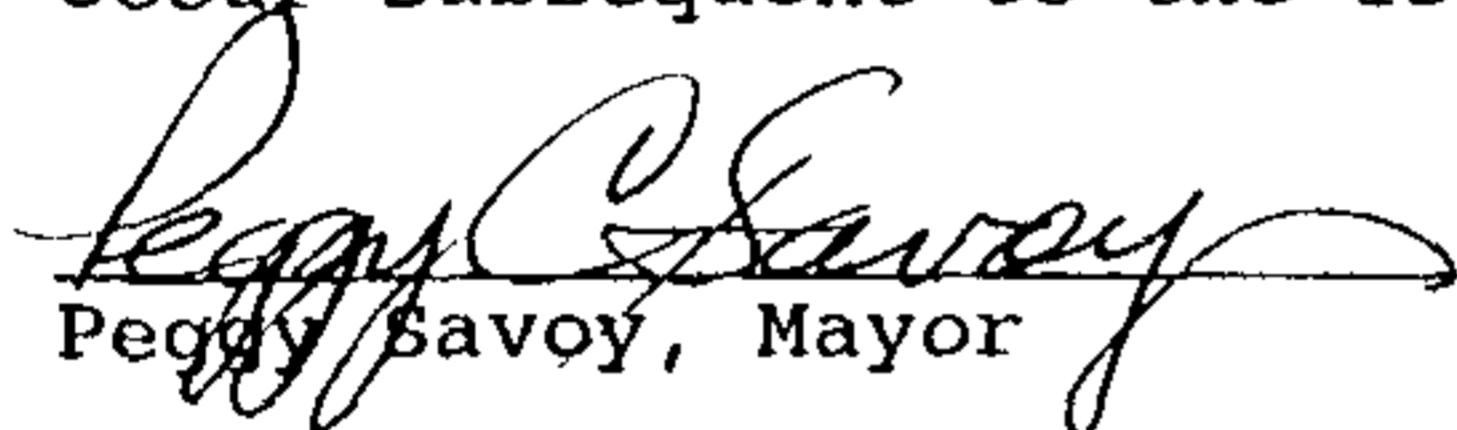
**Advances and Bonuses**

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, LSA-RS 14:138, and AG opinion 79-729.

Yes   X   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 which may occur subsequent to the issuance of your report.

  
Peggy Savoy, Mayor

Date   July 7, 1999  

  
Mary Gourdon, Alderman

Date   July 7, 1999  

  
John Dorris, Alderman

Date   July 7, 1999  

  
Evelyn Baughman, Alderman

Date   July 7, 1999

Village of Port Vincent, Louisiana  
Port Vincent, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS

**MATERIAL WEAKNESS - LACK OF SEGREGATION OF DUTIES**

**Item #      Description of Matter**

98-1: There is no meaningful segregation of duties in some accounting areas. This resulted from the Village relying on one employee to perform many accounting functions because of her experience and because there was no other person available to perform those functions. I recommended that the Mayor and Aldermen stay involved in reviewing financial information to help compensate for the control weakness. Also, I recommended the deputy clerk(hired during the year) be assigned accounting duties to eliminate situations where a lack of segregation of duties exists.

Status: Resolved.

**MANAGEMENT LETTER RECOMMENDATIONS**

**Item #**

**Suggestion**

98-1: Reconcile detailed inventory of police equipment to the fixed asset list.

Status: Resolved.

**Item #**

**Suggestion**

98-2: Adopt a policy to provide guidance on how to collect past due accounts.

Status: Resolved.

**Item #**

**Suggestion**

98-3: File past due grant requests for reimbursement under COPS FAST and COPS MORE grants.

Status: Unresolved.

Village of Port Vincent, Louisiana  
Port Vincent, Louisiana

**MANAGEMENT'S CORRECTIVE ACTION PLAN**

The independent accountant's report on applying agreed-upon procedures noted three deficiencies. Management's plan to resolve these deficiencies is as follows:

**Assertion #6 - Budgeting**

The Village's operating budget was not prepared in the form of an ordinance and was not published in the Village's official journal.

All future budgets and budget amendments will be prepared in the form of an ordinance and published in the Village's official journal.

**Assertion #9 - Meetings**

Agendas for regular meetings were not posted along with the meeting notices.

Notices of regular meetings were posted at the Village's Town Hall but agendas were not included. However, for special meetings, agendas were posted along with the meeting notices at the Village's Town Hall.

The Village's Mayor and Board of Aldermen were not aware that agendas for all meetings were required to be posted. Agendas will be posted with the notice of the meeting for all future meetings.

**Prior Year's Comments and Recommendations**

The management letter issued in connection with the audit for the year ended June 30, 1998, included the recommendation that the Village file past due grant requests for reimbursement under COPS FAST and COPS MORE grants. Reimbursement requests had not been filed as of June 30, 1999 because the Village clerk had not been able to determine how to correct an error made in an earlier report. She has attempted to find the right person to speak to about the process of filing corrected reports but has not been successful. Efforts are still ongoing to try and resolve this matter.



If there are any questions about this corrective action plan, please contact Mayor Peggy Savoy at 18235 Highway 16, Port Vincent, LA 70816, or call (225) 698-9891.