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VILLAGE OF PORT VINCENT, LOUISIANA

FINANCIAL REPORT

JUNE 30, 2002

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Release Date 2/12/03



Postlethwaite & Netterville

A Professional Accounting Corporation

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VILLAGE OF PORT VINCENT, LOUISIANA

FINANCIAL REPORT

JUNE 30, 2002



VILLAGE OF PORT VINCENT, LOUISIANA

Financial Report
JUNE 30, 2002

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ACCOUNTANTS' COMPILATION REPORT

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

We have compiled the accompanying general purpose financial statements of the Village of Port Vincent, Louisiana, as of and for the year ended June 30, 2002, in accordance with the 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. We have not audited or reviewed the accompanying general purpose financial statements 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, we have issued a report, dated December 26, 2002, on the results of our agreed-upon procedures.

Postlethwaite & Netterville

December 26, 2002

VILLAGE OF PORT VINCENT, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002

	Governmental Fund Type		Proprietary Fund Type	Account Groups		Total (Memo Only)
	General Fund	Capital Projects	Enterprise Fund	General Fixed Assets	General Long-Term Debt	
ASSETS						
Cash	\$ 124,340	\$ 15,802	\$ 100,064	\$ -	\$ -	\$ 240,206
Accounts receivable	361	5,799	4,309	-	-	10,469
Allowance for doubtful accounts	-	-	(1,554)	-	-	(1,554)
Fixed Assets	-	-	470,113	259,547	-	729,660
Amount to be provided for retirement of general long-term debt	-	-	-	-	142,254	142,254
Total Assets	\$ 124,701	\$ 21,601	\$ 572,932	\$ 259,547	\$ 142,254	\$ 1,121,035
LIABILITIES AND EQUITY						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 1,966	\$ -	\$ -	\$ 1,966
Sales tax payable	-	-	258	-	-	258
Payroll taxes withheld	363	-	-	-	-	363
Deferred Income	-	-	85	-	-	85
Total Liabilities	363	-	2,309	-	-	2,672
FUND EQUITY						
Contributed Capital	-	-	481,726	-	-	481,726
Investment in general fixed assets	-	-	-	259,547	-	259,547
Bonds and certificates of indebtedness payable	-	-	-	-	142,254	142,254
Retained earnings- unreserved	-	-	88,897	-	-	88,897
Fund balance:						
Unreserved - undesignated	124,338	21,601	-	-	-	145,939
Total Equity	124,338	21,601	570,623	259,547	142,254	1,118,363
Total Liabilities and Equity	\$ 124,701	\$ 21,601	\$ 572,932	\$ 259,547	\$ 142,254	\$ 1,121,035

See accompanying notes and accountants' 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, 2002**

	<u>General</u>	<u>Capital Projects</u>
REVENUES		
Fines	\$ 133,323	\$ -
Intergovernmental:		
Grants	15,455	-
Beer tax	2,420	-
Franchise taxes and permits	21,526	-
Insurance premium tax	20,700	-
Occupational licenses	8,564	-
Interest Income	2,773	1,783
Paving lien proceeds	-	24,135
Other:		
Cellular Tower Rental	6,820	-
Parish supplemental	3,600	-
State supplemental	3,000	-
NSF redeposits	-	-
Other Income	17,365	-
Fund transfers- payroll	13,564	-
	<u>249,110</u>	<u>25,918</u>
 EXPENDITURES		
Current:		
General and administrative	105,797	-
Public Safety	131,896	-
Streets	2,557	-
Capital Outlay	-	157,774
Debt service:		
Principal	-	15,806
Interest	-	9,515
	<u>240,250</u>	<u>183,095</u>
 EXCESS OF EXPENDITURES OVER REVENUES	<u>8,860</u>	<u>(157,177)</u>
 FUND BALANCE, BEGINNING OF YEAR	<u>115,478</u>	<u>178,778</u>
FUND BALANCE, END OF YEAR	<u>\$ 124,338</u>	<u>\$ 21,601</u>

See accompanying notes and accountants' compilation report.



**VILLAGE OF PORT VINCENT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Fines	\$ 136,852	\$ 133,323	\$ (3,529)
Intergovernmental:			
Grants	24,609	15,455	(9,154)
Beer tax	2,662	2,420	(242)
Franchise taxes and permits	23,549	21,526	(2,023)
Insurance premium tax	17,946	20,700	2,754
Occupational licenses	8,609	8,564	(45)
Interest Income	6,233	2,773	(3,460)
Other:			
Cellular Tower Rent	6,000	6,820	820
Parish supplemental	3,600	3,600	-
State supplemental	3,600	3,000	(600)
Other Income	71	17,365	17,294
Fund transfers	13,564	13,564	-
TOTAL REVENUES	<u>247,295</u>	<u>249,110</u>	<u>1,815</u>
 EXPENDITURES			
General government:			
Accounting and legal fees	3,155	2,875	280
Insurance	6,586	7,868	(1,282)
Utilities	4,113	3,303	810
Meeting and conventions	2,016	1,005	1,011
Telephone	2,819	2,922	(103)
Office expense	2,229	1,242	987
Travel	2,503	1,939	564
Advertising	2,318	1,785	533
Lawn care and janitorial	753	540	213
Salaries	39,517	42,821	(3,304)
Payroll taxes	3,023	4,277	(1,254)
Maintenance and repairs	812	7,799	(6,987)
Community center expenses	582	378	204
Dues and subscriptions	670	635	35
Pest control	190	202	(12)
Equipment rental	2,803	1,296	1,507
Building rental	-	2,249	(2,249)
Fines	400	-	400
Miscellaneous	3,790	3,042	748
Postage	328	174	154
Transmittal of court cost	14,734	10,817	3,917
Capital outlay	20,503	-	20,503
Local services agreements	723	723	-
Bank charges	86	175	(89)
NSF returns	470	-	470
Garbage Service	538	-	538
Penalties	-	523	(523)
Grants	-	7,207	(7,207)
	<u>115,661</u>	<u>105,797</u>	<u>9,864</u>

See accompanying notes and accountants' compilation report.



**VILLAGE OF PORT VINCENT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Public Safety			
Insurance	7,122	6,189	933
Vehicle fuel, maintenance, and rental	15,828	15,891	(63)
Travel	187	624	
Training and police supplies	5,185	6,071	(886)
Telephone	4,687	4,988	(301)
Court costs	-	-	-
Conventions and meetings	763	501	262
Salaries	75,146	57,938	17,208
Payroll taxes	2,082	5,879	(3,797)
Supplemental pay	3,600	3,600	-
Pension expense	4,544	1,954	2,590
Office expense	-	-	-
Capital Outlay	126	21,651	(21,525)
Miscellaneous	631	387	244
Prisoner housing	329	56	273
Computer repairs	1,180	316	864
Dues and licenses	228	2,432	(2,204)
Grants	-	3,419	(3,419)
	<u>121,638</u>	<u>131,896</u>	<u>(6,402)</u>
 Streets			
Repairs	2,442	2,427	15
Lighting	7,554	130	7,424
	<u>9,996</u>	<u>2,557</u>	<u>7,439</u>
 TOTAL EXPENDITURES	 <u>247,295</u>	 <u>240,250</u>	 <u>10,901</u>
 EXCESS OF REVENUES UNDER EXPENDITURES	 -	 8,860	 (9,086)
 FUND BALANCE, BEGINNING OF YEAR	 <u>66,091</u>	 <u>115,478</u>	 <u>(49,387)</u>
FUND BALANCE, END OF YEAR	<u>\$ 66,091</u>	<u>\$ 124,338</u>	<u>\$ (58,473)</u>

See accompanying notes and accountants' compilation report.



VILLAGE OF PORT VINCENT, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - PROPRIETARY FUND TYPE- ENTERPRISE
FOR THE YEAR ENDED JUNE 30, 2002

OPERATING REVENUES

Charges for services	\$ 53,979
Connection fees	1,125
Penalty income	640
Other income	604
Total operating revenues	<u>56,348</u>

OPERATING EXPENSES

Administration	7,908
Depreciation	25,421
Capital expenditures	-
Maintenance	979
Utilities	27,119
Wages	13,564
Total operating expenses	<u>74,991</u>

Operating loss (18,643)

NON-OPERATING REVENUE (EXPENSE)

Interest income 2,330

Net loss (16,313)

Add depreciation on fixed assets acquired by capital grants that reduces contributed capital from municipality

23,140

Net increase in retained earnings 6,827

Retained Earnings

Beginning of year 82,070

End of year \$ 88,897

See accompanying notes and accountant's compilation report.



**VILLAGE OF PORT VINCENT, LOUISIANA
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
JUNE 30, 2002**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 55,318
Cash paid to suppliers and employees	(49,316)
Interest received	2,330
Net cash provided by operating activities	8,332

NET INCREASE IN CASH AND CASH EQUIVALENTS 8,332

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 91,732

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 100,064

RECONCILIATION OF NET LOSS TO NET

CASH PROVIDED BY OPERATING ACTIVITIES

Net loss	
Adjustments to reconcile net income to net cash provided by operating activities	\$ (16,313)
Depreciation	25,421
Changes in:	
Accounts receivable	(1,030)
Sales tax payable	254
Net cash provided by operating activities	\$ 8,332

See accompanying notes and accountant's compilation report.



VILLAGE OF PORT VINCENT, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2002

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 organization 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.

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 basis criterion for including a potential component unit within the reporting entity is financial accountability. These criteria include:

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

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



VILLAGE OF PORT VINCENT, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2002

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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 on 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 government functions or activities.

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 Funds Type

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.

Capital Projects Fund Type

The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the village.

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.



VILLAGE OF PORT VINCENT, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2002

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 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).



VILLAGE OF PORT VINCENT, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Mayor and Board of Aldermen met to begin discussing and preparing a budget for fiscal year 2002. It was also decided to hold a public hearing on the proposed budget.

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 2002 was adopted by the Mayor and Board of Aldermen on June 30, 2001.

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.

All Budget appropriations lapse at year end.

H. 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.

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 uncollectable receivables as of the end of each year.



VILLAGE OF PORT VINCENT, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2002

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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.

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 purpose.

L. 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.

M. Annual and Sick Leave

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

N. 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.



VILLAGE OF PORT VINCENT, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2002

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

O. 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.

P. Total Column 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.

2. **CASH AND INVESTMENTS**

At June 30, 2002, the Village's cash and investments (book balance 5) consisted of the following:

	<u>Total</u>
Cash:	
Petty cash	\$ 260
Demand deposits	<u>68,834</u>
Total cash	<u>69,094</u>
Investments:	
Funds held in LAMP	<u>171,112</u>
Total cash and investments	<u>\$ 240,206</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2002, the Village had \$ 72,031 in deposits (collected bank balances) of these bank balances, \$72,031 was covered by federal depositors insurance.



VILLAGE OF PORT VINCENT, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2002

2. **CASH AND INVESTMENTS** (continued)

In addition, local governments in Louisiana are authorized to invest in Louisiana Asset Management Pool, Inc., (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of Louisiana, which operates a local government investments are stated at lost.

3. **CAPITAL CONTRIBUTIONS – ENTERPRISE FUND**

A summary of the changes in the contributed capital account for the year ended June 30, 2002 are as follows:

Beginning of year	\$504,866
Less: Depreciation of water well	<u>(23,140)</u>
End of year	<u>\$481,726</u>

4. **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, 2002, are as follows:

<u>General Fixed Assets</u>	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
Equipment	\$76,146	\$21,651	\$ -	\$97,797
Vehicles	64,351	-	-	64,351
Land	100	-	-	100
Building	<u>97,299</u>	<u>-</u>	<u>-</u>	<u>97,299</u>
Totals	<u>\$237,896</u>	<u>\$21,651</u>	<u>\$ -</u>	<u>\$259,547</u>

5. **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.



VILLAGE OF PORT VINCENT, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2002

5. **PENSION PLAN** (continued)

	<u>Year Ended 06/30/02</u>	<u>Year Ended 06/30/01</u>	<u>Year Ended 06/30/00</u>
Covered payroll	57,938	75,146	54,658
Pension expense	1,954	4,544	4,761

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.

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.

6. **PER DIEMS PAID TO MAYOR AND ALDERMEN**

The Mayor receives a per diem of \$550 per regular meeting attended and \$275 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, 2002 were as follows:

Mayor, Mary Gourdon	\$6,875
Alderman, John Dorris	938
Alderman, Anthony Gourdon	938
Alderman, Charlotte Massey	<u>938</u>
Total	<u>\$9,689</u>



VILLAGE OF PORT VINCENT, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2002

7. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions which occurred during the year ended June 30, 2002:

	Balance 6/30/01	Additions	Retirements	Balance 6/30/02
Paving Certificates, Series 2001	\$ 158,060	-	15,806	\$ 142,254
	<u>\$ 158,060</u>	<u>-</u>	<u>15,806</u>	<u>\$ 142,254</u>

GENERAL LONG-TERM DEBT

Bond payable at June 30, 2002 was comprised of the following issue:

\$158,060 of Paving Certificates Series 2001;
due in annual installments of \$15,806 including
variable interest rates through March 2011. \$142,254

The annual requirements to amortize the debt outstanding as of June 30, 2002, including interest payments of \$38,496 is as follows:

Year Ending	Amount
June 30	
2003	24,057
2004	22,832
2005	21,804
2006	20,856
2007	19,931
Thereafter	71,270
	<u>\$180,750</u>

8. LITIGATION

As of June 30, 2002, 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.



VILLAGE OF PORT VINCENT, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2002

9. 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.





Postlethwaite & Netterville

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**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

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Port Vincent, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended June 30, 2002, 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law:

1. Select all expenditures made during the year for material and supplies exceeding \$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).

Purchases were made in accordance with bid 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 list obtained from management in agreed-upon procedures (3) were also included on the list obtained from management in agreed-upon procedures (2) as immediate family members.

None 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 amended budget.

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

We traced the adoption of the original budget to the minutes of a meeting which indicated that the budget had been adopted by the aldermen of the Village of Port Vincent, Louisiana.

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;

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

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

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

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

All six payments were approved by the proper authorities.



Meeting:

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. We examined copies of the notices that were filed with the minutes and have observed notices posted at the Village Hall.

Debt:

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

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appear 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 we read the minutes of the Village's meetings for the year, we did not note the approval to pay any bonuses, advances, or gifts. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

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

This report is intended solely for the use of management of the Village of Port Vincent, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Postlethwaite & Netterville

December 26, 2002



LOUISIANA ATTESTATION QUESTIONNAIRE

December 1, 2002

Postlethwaite & Netterville, APAC
P. O. Box 1190
Donaldsonville, LA 70346

In connection with the compilation of our financial statements as of and for the year ended June 30, 2002, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representation 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 make these representations.

These representations are based on the information available to us as of December 1, 2002.

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 () N/A ()

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 () N/A ()

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 () N/A ()

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 39:43.

Yes (X) No () N/A ()

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. () N/A ()

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 () N/A ()

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

Yes (X) No () N/A ()

Meetings

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

Yes (X) No () N/A ()

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 47:1410.60.

Yes (X) No () N/A ()

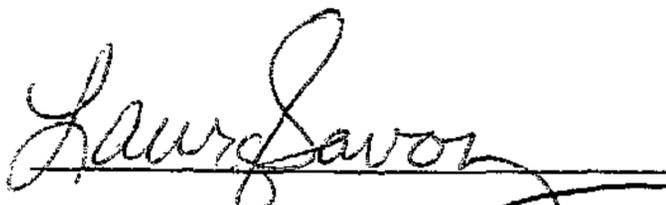
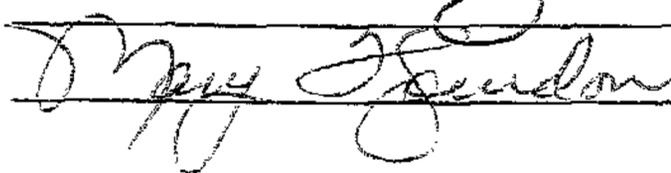
Advances and Bonuses

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 () N/A ()

We have disclosed to you all known noncompliance of the foregoing laws and regulations, we well as any contradictions to the foregoing representation. 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.

	Clerk Secretary	12/4/02	Date
	Treasurer Mayor President	12/4/02	Date