

VILLAGE OF GEORGETOWN, LOUISIANA

Annual Financial Statements

June 30, 2022

Village of Georgetown, Louisiana
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INDEPENDENT AUDITOR'S REPORT

The Honorable Danny Olden, Mayor
& Members of the Village Council
Georgetown, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Village of Georgetown, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Georgetown's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Village of Georgetown, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Georgetown and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Georgetown's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Georgetown’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Georgetown’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Georgetown’s basic financial statements. The Schedule of Compensation, Benefits

and other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and other Payments to Agency Head or Chief Executive Officer and the Justice System Funding Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2022, on our consideration of the Village of Georgetown’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Georgetown’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Georgetown’s internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana
December 9, 2022

Village of Georgetown

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Village, we offer readers of the Village of Georgetown's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$698,584 (*net position*). This is a \$58,332 decrease from last year.
- The Village had total revenue of \$647,963. This is a \$46,266 decrease from last year's revenues, mainly due to a decrease in fines in the amount of \$115,262.
- The Village had total expenditures of \$623,731, which is a \$121,781 decrease from last year, mainly due to a decrease in capital outlay in the amount of \$87,186.

Enterprise Fund

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$1,798,004 (*net position*). This is a \$30,200 decrease from last year.
- The Village had total revenue of \$209,898. This is a \$32,341 increase from last year due to an increase in sales tax in the amount of \$23,988.
- The Village had total expenses of \$276,932 in which \$97,287 was for depreciation, which is a non-cash transaction. This is a \$50,832 increase in total expenses from last year.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Village is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the Village adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*. Comparative analysis will be available in future years when prior information becomes available.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Village's annual report consists of financial statements that show information about the Village's funds, enterprise funds and governmental funds.

Our accountant has provided assurance in his independent accountant's report, located immediately following this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Village's Most Significant Funds

The Village's financial statements provide detailed information about the most significant funds. The Village may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Village's enterprise fund uses the following accounting approach:

All of the Village's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

MD&A

**GOVERNMENTAL FUNDS
Statement of Net Position**

The following table represents the Comparative Statement of Net Position as of June 30, 2022:

Assets	2021	2022	% Change
Cash & Investments	\$ 62,784	\$ 71,717	14.2
Receivables, Net	68,717	41,337	-39.8
Capital Assets, Net of Accumulated Depreciation	710,909	653,714	-8.0
Total Assets	842,410	766,768	-9.0
Liabilities			
Accounts, Salaries, & Other Payables	20,846	15,012	-28.0
Current Notes Payable	11,376	11,326	-0.4
Non-Current Notes Payable	53,272	41,846	-21.4
Total Liabilities	85,494	68,184	-20.2
Net Position			
Net Investment in Capital Assets	646,261	600,542	-7.1
Unrestricted	110,655	98,042	-52.7
Total Net Position	\$ 756,916	\$ 698,584	-7.7

Comparative Changes in Fund Balances

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2022:

REVENUES	2021	2022	% Change
Fines	\$ 647,524	\$ 532,262	-17.8
Fees & Charges	20,857	33,666	61.4
Ad Valorem Taxes	6,801	6,786	0.2
Rental	4,927	4,927	0.0
Intergovernmental – Capital Grants	9,808	59,176	503.3
Other	4,312	11,146	158.5
TOTAL REVENUES	694,229	647,963	-6.7
EXPENDITURES			
General Expense	370,019	524,218	41.7
Police Expense	281,463	85,365	-69.7
Debt Service	6,844	14,148	106.7
Capital Outlay	87,186	-0-	0.0
TOTAL EXPENDITURES	745,512	623,731	-16.3
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(51,283)	24,232	52.7
OTHER FINANCING SOURCES (USES)			
Loan Proceeds	64,252	-0-	0.0
Transfers In (Out)	4,896	(36,845)	-852.6
TOTAL OTHER FINANCING SOURCES (USES)	69,148	(36,845)	-153.3
NET CHANGE IN FUND BALANCE	17,865	(12,613)	-170.6
FUND BALANCES--BEGINNING	92,790	110,655	19.3
FUND BALANCES--ENDING	\$ 110,655	\$ 98,042	-11.4

MD&A

ENTERPRISE FUND

Comparative Statement of Net Position

The following table represents the Comparative Statement of Net Position as of June 30, 2022:

CURRENT ASSETS	2021	2022	% Change
Cash & Cash Equivalents	\$ 29,506	\$ 49,888	69.1
Receivables, Net	33,894	25,998	-23.3
TOTAL CURRENT ASSETS	<u>63,400</u>	<u>75,886</u>	19.7
 NON-CURRENT ASSETS			
Restricted Assets	21,057	25,163	19.5
Capital Assets (Net of Accumulated Depreciation)	1,981,732	1,923,215	-3.0
TOTAL NON-CURRENT ASSETS	<u>2,002,789</u>	<u>1,948,378</u>	-2.7
 TOTAL ASSETS	<u>2,066,189</u>	<u>2,024,264</u>	-2.0
 CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	10,121	9,486	-6.3
Current Notes Payable	12,000	12,000	0.0
TOTAL CURRENT LIABILITIES	<u>22,121</u>	<u>21,486</u>	-2.9
 NON-CURRENT LIABILITIES			
Customer Deposits	11,364	12,264	7.9
Non-Current Notes Payable	204,500	192,500	-5.9
TOTAL NON-CURRENT LIABILITIES	<u>215,864</u>	<u>204,764</u>	-5.1
 TOTAL LIABILITIES	<u>237,985</u>	<u>226,250</u>	-4.9
 NET POSITION			
Net Investment in Capital Assets	1,765,232	1,718,705	-2.6
Unrestricted	62,972	79,299	25.9
TOTAL NET POSITION	<u>\$ 1,828,204</u>	<u>\$ 1,798,004</u>	-1.7

MD&A

Comparative Changes in Net Position

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2022:

OPERATING REVENUES	2021	2022	% Change
Water Sales	\$ 77,775	\$ 78,672	1.2
Sewer Charges	46,310	50,791	9.7
Sales Tax	53,472	77,460	44.9
Other	-0-	2,975	100.0
TOTAL OPERATING REVENUES	<u>177,557</u>	<u>209,898</u>	18.2
OPERATING EXPENSES			
Administration	19,731	15,003	-24.0
Operating	112,555	162,585	44.4
Depreciation	91,651	97,287	6.1
TOTAL OPERATING EXPENSES	<u>223,937</u>	<u>274,875</u>	22.7
OPERATING INCOME (LOSS)	<u>(46,380)</u>	<u>(64,977)</u>	-40.1
NON-OPERATING REVENUES (EXPENSES)			
Interest Expense	(2,163)	(2,057)	-4.9
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(2,163)</u>	<u>(2,057)</u>	-4.9
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	<u>(48,543)</u>	<u>(67,034)</u>	-38.1
OTHER FINANCING SOURCES (USES)			
Transfers In/(Out)	(4,896)	36,845	652.6
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,896)</u>	<u>36,845</u>	652.6
CAPITAL CONTRIBUTIONS	25,000	-0-	0.0
CHANGE IN NET POSITION	(28,439)	(30,189)	-6.2
TOTAL NET POSITION – BEGINNING	1,856,643	1,828,203	-1.5
TOTAL NET POSITION – ENDING	<u>\$ 1,828,204</u>	<u>\$ 1,798,014</u>	-1.7

CAPITAL ASSETS & LONG-TERM DEBT

Capital Assets – Governmental Fund

At June 30, 2022, the Village had \$653,714 invested in capital assets, including land, the walking track, street improvements, police cars, and equipment.

Capital Assets At Year-End

	2021	2022
Land *	\$ 8,000	\$ 8,000
Buildings/Walking Track/Street	946,254	946,254
Equipment	505,743	505,743
Accumulated Depreciation	(749,088)	(806,283)
Capital Assets, Net	<u>\$ 710,909</u>	<u>\$ 653,714</u>

* Land in the amount of \$8,000 is not being depreciated.

MD&A

Capital Assets – Enterprise Fund

At June 30, 2022, the Village had \$1,923,215 invested in capital assets, including the sewer system, water system, machinery, and equipment.

Capital Assets At Year-End			
	<u>2021</u>		<u>2022</u>
Sewer System	\$ 2,182,515	\$	2,182,515
Water System	1,744,574		1,744,574
Construction in Progress	-0-		-0-
Accumulated Depreciation	(1,945,357)		(2,003,874)
Capital Assets, Net	<u>\$ 1,981,732</u>	<u>\$</u>	<u>1,923,215</u>

Long Term Debt

The following is a summary of bonds and lease payable of the Village of Georgetown for the year ended June 30, 2022.

	<u>Balance 6-30-2021</u>	<u>Additions</u>	<u>Principal Paid</u>	<u>Balance 6-30-2022</u>
Police Auto Lease	\$ 64,648	\$ 53,172	\$ (64,648)	\$ 53,172
Utility Revenue Bond – Series 2017	216,500	-0-	(12,000)	204,500
Total	<u>\$ 281,148</u>	<u>\$ 53,172</u>	<u>\$ (76,648)</u>	<u>\$ 257,672</u>

Bond and lease payable at June 30, 2022, are comprised of the following issues:

Police Auto Lease (General Fund)

\$64,252 lease purchase with Government Capital starting 07/02/2021. Due in monthly installments of \$1,166 with an interest rate of 3.39% for 60 months. 53,172

Utility Revenue Bond (Enterprise Fund)

\$247,500 sewer bond dated 11/16/2017 due in annual installments of \$11,000 to \$13,500 through June 1, 2038 interest at .95%. 204,500

Total \$ 257,672

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Danny Olden, Mayor, at the Village of Georgetown, phone (318) 827-5527.

Basic Financial Statements

Village of Georgetown, Louisiana
Statement of Net Position
June 30, 2022

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$ 71,717	\$ 49,888	\$ 121,605
Receivables, Net	41,337	25,998	67,335
Restricted Assets	-0-	25,163	25,163
Capital Assets (Net of Accumulated Depreciation)	653,714	1,923,215	2,576,929
TOTAL ASSETS	766,768	2,024,264	2,791,032
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	15,012	9,486	24,498
Current Notes Payable	11,326	12,000	23,326
TOTAL CURRENT LIABILITIES	26,338	21,486	47,824
NON-CURRENT LIABILITIES			
Customer Deposits	-0-	12,264	12,264
Non-Current Notes Payable	41,846	192,500	234,346
TOTAL NON-CURRENT LIABILITIES	41,846	204,764	246,610
TOTAL LIABILITIES	68,184	226,250	294,434
NET POSITION			
Net Investment in Capital Assets	600,542	1,718,715	2,319,257
Unrestricted	98,042	79,299	177,341
TOTAL NET POSITION	\$ 698,584	\$ 1,798,014	\$ 2,496,598

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana
Statement of Activities
For the Year Ended June 30, 2022**

	PROGRAM REVENUES				NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Operating Grants & Contributions	Net Revenue (Expense)	Governmental Activities	Business Type Activities	Total
Governmental Activities							
General	\$ (545,522)	\$ -0-	\$ 59,176	\$ (486,346)	\$ (486,346)		\$ (486,346)
Police	(122,086)	-0-	-0-	(122,086)	(122,086)		(122,086)
Interest Expense	(1,842)	-0-	-0-	(1,842)	(1,842)		(1,842)
Total Governmental Activities	<u>(669,450)</u>	<u>-0-</u>	<u>59,176</u>	<u>(610,274)</u>	<u>(610,274)</u>		<u>(610,274)</u>
Business Type Activities							
Sewer	(124,170)	50,791	-0-	(73,379)		\$ (73,379)	(73,379)
Water	(150,705)	78,672	-0-	(72,033)		(72,033)	(72,033)
Interest Expense	(2,057)	-0-	-0-	(2,057)		(2,057)	(2,057)
Total Business Type Activities	<u>(276,932)</u>	<u>129,463</u>	<u>-0-</u>	<u>(147,469)</u>		<u>(147,469)</u>	<u>(147,469)</u>
Total Primary Government	\$ <u>(946,382)</u>	\$ <u>129,463</u>	\$ <u>59,176</u>	\$ <u>(757,743)</u>			<u>(757,743)</u>
			General Revenues				
			Fines		532,262	-0-	532,262
			Taxes:				
			Ad valorem Taxes		6,786	-0-	6,786
			Sales Tax		-0-	77,460	77,460
			Other		49,739	2,975	52,714
			Loan Proceeds		-0-	-0-	-0-
			Transfers In (Out)		(36,845)	36,845	-0-
			Total General Revenues		<u>551,942</u>	<u>117,280</u>	<u>669,222</u>
			Change in Net Position		(58,332)	(30,189)	(88,521)
			Net Position - Beginning		756,916	1,828,203	2,585,119
			Net Position - Ending		\$ <u>698,584</u>	<u>1,798,014</u>	<u>2,496,598</u>

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana
Balance Sheet
Governmental Funds
June 30, 2022**

		GENERAL FUND
		<u> </u>
ASSETS		
Cash	\$	71,717
Receivables		41,337
TOTAL ASSETS		<u>113,054</u>
 LIABILITIES		
Accounts, Salaries, & Other Payables		15,012
TOTAL LIABILITIES		<u>15,012</u>
 FUND BALANCES		
Unassigned		98,042
 TOTAL LIABILITIES & FUND BALANCE	\$	<u>113,054</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds (Statement C)	\$ 98,042
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	653,714
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Other	<u>(53,172)</u>
Net Position of Governmental Activities (Statement A)	<u>\$ 698,584</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	<u>GENERAL</u>
REVENUES	
Fines	\$ 532,262
Fees & Charges	33,666
Ad Valorem Taxes	6,786
Rental	4,927
Intergovernmental – Grants	59,176
Other	11,146
TOTAL REVENUES	<u>647,963</u>
EXPENDITURES	
General Expense	524,218
Police Expense	85,365
Debt Service	14,148
Capital Outlay	-0-
TOTAL EXPENDITURES	<u>623,731</u>
EXCESS (DEFICIENCY) OF REVENUES	
OVER (UNDER) EXPENDITURES	<u>24,232</u>
OTHER FINANCING SOURCES (USES)	
Loan Proceeds	-0-
Transfers In (Out)	(36,845)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(36,845)</u>
NET CHANGE IN FUND BALANCE	(12,613)
FUND BALANCES--BEGINNING	<u>110,655</u>
FUND BALANCES--ENDING	<u>\$ 98,042</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2022

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

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ (12,613)

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

Capital Purchases	-0-	
Depreciation Exp	(57,195)	(57,195)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Loan Proceeds	-0-	
Principal Paid	11,476	11,476

Changes in Net Position of Governmental Activities, Statement B \$ (58,332)

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Statement of Net Position
Proprietary Funds
June 30, 2022

	BUSINESS TYPE ACTIVITIES		
	MAJOR ENTERPRISE FUND		
	<u>SEWER</u>	<u>WATER</u>	<u>TOTAL</u>
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 28,384	\$ 21,504	\$ 49,888
Receivables, Net	11,622	14,376	25,998
TOTAL CURRENT ASSETS	<u>40,006</u>	<u>35,880</u>	<u>75,886</u>
NON-CURRENT ASSETS			
Restricted Assets	12,674	12,489	25,163
Capital Assets (Net of Accumulated Depreciation)	1,284,318	638,897	1,923,215
TOTAL NON-CURRENT ASSETS	<u>1,296,992</u>	<u>651,386</u>	<u>1,948,378</u>
TOTAL ASSETS	<u>1,336,998</u>	<u>687,266</u>	<u>2,024,264</u>
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	3,704	5,782	9,486
Current Notes Payable	12,000	-0-	12,000
TOTAL CURRENT LIABILITIES	<u>15,704</u>	<u>5,782</u>	<u>21,486</u>
NON-CURRENT LIABILITIES			
Customer Deposits	-0-	12,264	12,264
Current Notes Payable	192,500	-0-	192,500
TOTAL NON-CURRENT LIABILITIES	<u>192,500</u>	<u>12,264</u>	<u>204,764</u>
TOTAL LIABILITIES	<u>208,204</u>	<u>18,046</u>	<u>226,250</u>
NET POSITION			
Net Investment in Capital Assets	1,079,818	638,897	1,718,715
Unrestricted	48,976	30,323	79,299
TOTAL NET POSITION	<u>\$ 1,128,794</u>	<u>\$ 669,220</u>	<u>\$ 1,798,014</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Statement of Revenues, Expenses & Changes in Net Position
Proprietary Funds
June 30, 2022

BUSINESS TYPE ACTIVITIES
MAJOR ENTERPRISE FUND

	<u>SEWER</u>	<u>WATER</u>	<u>TOTAL</u>
OPERATING REVENUES			
Sales of Services	\$ 50,791	\$ 78,672	\$ 129,463
Sales Tax	38,730	38,730	77,460
Other	-0-	2,975	2,975
TOTAL OPERATING REVENUES	<u>89,521</u>	<u>120,377</u>	<u>209,898</u>
OPERATING EXPENSES			
Administration	8,958	6,045	15,003
Operations	63,440	99,145	162,585
Depreciation	51,772	45,515	97,287
TOTAL OPERATING EXPENSES	<u>124,170</u>	<u>150,705</u>	<u>274,875</u>
OPERATING INCOME (LOSS)	<u>(34,649)</u>	<u>(30,328)</u>	<u>(64,977)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Expense	<u>(2,057)</u>	<u>-0-</u>	<u>(2,057)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(2,057)</u>	<u>-0-</u>	<u>(2,057)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS			
OTHER FINANCING SOURCES (USES)			
Transfers In/(Out)	<u>42,195</u>	<u>(5,350)</u>	<u>36,845</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>42,195</u>	<u>(5,350)</u>	<u>36,845</u>
CAPITAL CONTRIBUTIONS	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
CHANGE IN NET POSITION	5,489	(35,678)	(30,189)
TOTAL NET POSITION – BEGINNING	1,123,305	704,898	1,828,203
TOTAL NET POSITION – ENDING	<u>\$ 1,128,794</u>	<u>\$ 669,220</u>	<u>\$ 1,798,014</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Statement of Cash Flows
Proprietary Funds
June 30, 2022

	BUSINESS TYPE ACTIVITIES		
	MAJOR ENTERPRISE FUND		
	<u>SEWER</u>	<u>WATER</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 93,577	\$ 124,217	\$ 217,794
Payments to Suppliers/Employees	(70,217)	(107,106)	(177,323)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>23,360</u>	<u>17,111</u>	<u>40,471</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In/(Out)	42,195	(5,350)	36,845
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>42,195</u>	<u>(5,350)</u>	<u>36,845</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Capital Grant	-0-	-0-	-0-
Purchase of Capital Assets	(38,770)	-0-	(38,770)
Increase (Decrease) in Bonds Payable	(12,000)	-0-	(12,000)
Interest Paid on Bonds	(2,057)	-0-	(2,057)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(52,827)</u>	<u>-0-</u>	<u>(52,827)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in Restricted Assets	(2,982)	(1,125)	(4,107)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2,982)</u>	<u>(1,125)</u>	<u>(4,107)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	9,746	10,636	20,382
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	<u>18,638</u>	<u>10,868</u>	<u>29,506</u>
CASH & CASH EQUIVALENTS, END OF YEAR	<u>28,384</u>	<u>21,504</u>	<u>49,888</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	(34,649)	(30,328)	(64,977)
Depreciation Expense	51,772	45,515	97,287
(Increase) Decrease in Accounts Receivable	4,056	3,840	7,896
Increase (Decrease) in Accounts Payables	2,181	(2,816)	(635)
Increase (Decrease) in Customer Deposits	-0-	900	900
TOTAL ADJUSTMENTS	<u>58,009</u>	<u>47,439</u>	<u>105,448</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 23,360</u>	<u>\$ 17,111</u>	<u>\$ 40,471</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic
Financial Statements**

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Georgetown was incorporated under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The accounting and reporting policies of the Village of Georgetown conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meetings the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental fund:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The municipality reports the following major proprietary fund:

- Enterprise Fund
 - Water Activities
 - Sewer Activities

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services and sales taxes. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The District has implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

D. BUDGETARY PRACTICES

The District prepares a budget at the beginning of each year. The Board approves the budget and any subsequent amendments. All appropriations end at year end.

E. CASH & CASH EQUIVALENTS

The Village’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition. State law and the municipality’s investments policy allow the municipality to invest in collateralized certificate of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

F. INVENTORIES

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations, and accordingly, these supplies are expensed as purchased.

G. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

H. RESTRICTED ASSETS

Restricted assets include cash and cash investments in the proprietary funds which are restricted. Restricted assets were applicable to the following at June 30, 2022:

	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Debt Service Fund	\$ 3,163	\$ -0-	\$ 3,163
Depreciation & Contingency Fund	2,515	-0-	2,515
Reserve Fund	6,996	-0-	6,996
Customer Deposits	-0-	12,489	12,489
Total	<u>\$ 12,674</u>	<u>\$ 12,489</u>	<u>\$ 25,163</u>

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

I. FIXED ASSETS

For the year ended June 30, 2022, no interest costs were capitalized for construction of fixed assets. The Village maintains a threshold level of \$1,500 or more for capitalizing capital assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Life In Years</u>
Water System	40
Sewer System	40
Post Office	40
Walking Trail	20
Equipment	5-10

J. LONG-TERM OBLIGATIONS

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

K. FUND EQUITY

In the fund equity statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plan that are subject to change.

L. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. NEW ACCOUNTING PRONOUNCEMENT

In June of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities of leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

(2) CASH, CASH EQUIVALENTS, & INVESTMENTS

All cash and investments (CD's over 90 days) are reported at cost and are on deposit at federally insured banks.

It is the Village's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village's deposits are categorized to give an indication of the level of risk assumed by the Village at fiscal year-end. All deposits were secured at the year-end. The categories are described as follows:

- *Category 1* – Insured or collateralized with securities held by the Village or by its agent in the Village's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Village's name.
- *Category 3* – Uncollateralized.

Bank	Bank Balance 6-30-2022
Southern Heritage Bank	\$ <u>152,014</u>

Amounts on deposit at the bank are secured by the following:

Description	Market Value
FDIC (<i>Category 1</i>)	\$ 152,014
Securities (<i>Category 2</i>)	-0-
Total	\$ <u>152,014</u>

Deposits were fully secured as of June 30, 2022.

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Village of Georgetown. For the purpose of the proprietary fund Statement of Cash Flows, "Cash and Cash Equivalents" include all demand savings accounts and certificates of deposit under 90 days.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

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.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity’s name.

(3) RECEIVABLES

The receivables of \$64,796 at June 30, 2022, are as follows:

	Enterprise Fund		Governmental Fund
	Water	Sewer	General Fund
Fines/Fees	\$ -0-	\$ -0-	\$ 36,487
Tax /Franchise	6,861	6,861	4,850
Customer	7,777	5,012	-0-
Allowance for Bad Debts*	(262)	(251)	-0-
Total A/R, Net	\$ 14,376	\$ 11,622	\$ 41,337

*Allowance for Bad Debts is estimated at 5% of billing.

(4) AD VALOREM TAXES

The Village levies taxes on real and business personal property located within its boundaries. The Village utilizes the services of the Grant Parish Tax Assessor to assess the property values and prepare the Village’s property tax roll. The Village bills and collects its own property taxes.

Property Tax Calendar	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

For the year ended June 30, 2022, taxes of 7.75 mills were levied against property having a valuation of some \$920,483 which produced some \$7,134 in revenue.

Ad Valorem Taxes are broken down as follows:

General Alimony	Mills
	7.75
Total	7.75

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

(5) SALES TAX

Voters passed a 1% sales tax in February 1991 dedicated to the repair and maintenance of the Village's water system.

In November 2005 the voters of the Village of Georgetown passed 1% sales and use tax for the purpose of improving, operating, maintaining, and supporting the sewerage system of the Village.

(6) FIXED ASSETS

Governmental Fund:

A summary of governmental fund depreciable assets at June 30, 2022, is as follows:

	Balance 6-30-2021	Additions	(Deletions)	Balance 6-30-2022
Land *	\$ 8,000	\$ -0-	\$ -0-	\$ 8,000
Buildings/Walking Track/Street	946,254	-0-	-0-	946,254
Equipment	505,743	-0-	-0-	505,743
Accumulated Depreciation	(749,088)	(57,195)	-0-	(806,283)
Net	\$ 710,909	\$ (57,195)	\$ -0-	\$ 653,714

* Land in the amount of \$8,000 and is not being depreciated.

Depreciation expense was charged to governmental functions as follows:

General	\$ 20,474
Police	36,721
Total Depreciation	\$ 57,195

Enterprise Fund – Plant & Equipment:

A summary of enterprise fund property, plant, and equipment at June 30, 2022, is as follows:

	Balance 6-30-2021	Additions	(Deletions)	Balance 6-30-2022
Water				
Distribution System	\$ 1,744,574	\$ -0-	\$ -0-	\$ 1,744,574
Accumulated Depreciation	(1,060,162)	(45,515)	-0-	(1,105,677)
Net	\$ 684,412	\$ (45,515)	\$ -0-	\$ 638,897
Sewer				
Plant	\$ 2,182,515	\$ 38,770	\$ -0-	\$ 2,221,285
Construction in Progress	-0-	-0-	-0-	-0-
Accumulated Depreciation	(885,195)	(51,772)	-0-	(936,967)
Net	\$ 1,297,320	\$ (13,002)	\$ -0-	\$ 1,284,318

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

(7) CHANGES IN LONG-TERM DEBT

The following is a summary of bonds and lease payable of the Village of Georgetown for the year ended June 30, 2022.

	Balance 6-30-2021	Additions	Principal Paid	Balance 6-30-2022
Police Auto Lease	\$ 64,648	\$ -0-	\$ (11,476)	\$ 53,172
Utility Revenue Bond – Series 2017	216,500	-0-	(12,000)	204,500
Total	\$ 281,148	\$ -0-	\$ (23,476)	\$ 257,672

Bond and lease payable at June 30, 2022, are comprised of the following issues:

Police Auto Lease (General Fund)

\$64,252 lease purchase with Government Capital starting 07/02/2021. Due in monthly installments of \$1,166 with an interest rate of 3.39% for 60 months. 53,172

Utility Revenue Bond (Enterprise Fund)

\$247,500 sewer bond dated 11/16/2017 due in annual installments of \$11,000 to \$13,500 through June 1, 2038 interest at .95%. 204,500

Total \$ 257,672

The annual requirements to amortize all debt outstanding as of June 30, 2022, including interest payments, are as follows:

Year Ending June 30,	Police Auto	Utility Revenue Bond	Total
2023	\$ 13,988	\$ 13,886	\$ 27,874
2024	13,988	13,772	27,760
2025	13,988	13,658	27,646
2026	13,988	13,544	27,532
2027	1,166	69,933	71,099
2028-2032	-0-	67,850	67,850
2033-2037	-0-	14,131	14,131
2038-2042	-0-	-0-	-0-
Total	\$ 57,118	\$ 206,774	\$ 263,892

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

As of June 30, 2022, the Village of Georgetown has one issue of sewer revenue bond outstanding. The flow of funds and restrictions on use are governed by the bond indentures and the note resolution, the terms of which are summarized as follows:

- (a) Payment of all reasonable and necessary expenses of operating and maintaining the system.
- (b) Each month there will be set aside into a fund called the "Debt Service Fund" an amount constituting 1/12 of the next principal and interest payment.
- (c) There will be set aside into a "Reserve Fund" the amount equal to one-half of the highest annual principal and interest payment on the bond in any future year. The required amount may be deposited in one lump sum if available or may be accumulated over five years. These funds may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not available in the Debt Service Fund. As of June 30, 2022 the Village of Georgetown had not set aside the maximum required amount into this "Reserve Fund".
- (d) There will also be set aside into a "Depreciation and Contingency Fund" 5% of the monthly net revenues provided that sum is available. This shall continue until there has been accumulated the sum of \$50,000, whereupon such payments may cease and need be resumed thereafter only if the total amount of money on deposit in said fund is reduced below the sum of \$200,000, in which event such payments shall be resumed and continue until said maximum amount is again accumulated. This fund is set up to provide an available reserve for extensions, additions, improvement, renewals and replacements necessary to properly operate the system.

(8) WATER AND SEWER RATES

<u>Water: (121 Customers)</u>	<u>Minimum Charge</u>	<u>Next</u>
Residential	\$11.00 for 1 st 1,600 gals. water used	\$1.65 per 1,000 for next 2,400 gals. water used 1.35 per 1,000 for next 1,800 gals. water used 1.20 per 1,000 for next 4,200 gals. water used 1.07 per 1,000 for next 5,000 gals. water used .93 per 1,000 thereafter
Schools	\$200.00 for 1 st 71,600 gals. water used	\$.93 per 1,000 thereafter
Housing Authority	\$308.00 for 1 st 42,000 gals. water used	\$1.75 per 1,000 for next 70,000 gals. water used 1.33 per 1,000 for next 60,000 gals. water used .90 per 1,000 for next 110,000 gals. water used .80 thereafter
<u>Sewer: (117 Customers)</u>		
Residential	\$ 24.00 for 1 st 5,100 gals. water used	\$.10 per 1,000 gals. water used thereafter
School	\$ 48.33 a month for all water used	
Housing Authority	\$392.00 for 1 st 145,600 gals. water used	\$.07 per 1,000 gals. water used thereafter

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

(9) LITIGATION

The Village of Georgetown is involved in no litigation at June 30, 2022, which is not covered by the Village's applicable insurance policies or is considered to be significant to the Village's financial statements.

(10) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(11) RETIREMENT PLANS

The Village does not offer its employees a retirement plan. All employees are in the social security system.

(12) CONTRACTUAL AGREEMENTS

The Village of Georgetown entered into a contractual agreement with Redhill Waterworks, Inc., on October 14, 2010. The agreements of the contract are as follows:

Redhill hereby agrees to sell water to Georgetown under the following terms and conditions:

1. Georgetown agrees to construct, at its own expense, a High Flow Connection to tie its water system to Redhill. Construction will commence after the signing of this contract.
2. This contract shall be for a term of five (5) years which shall commence on the date that the construction referenced above is complete.
3. Georgetown agrees to compensate Redhill as follows:
 - a. Georgetown agrees to pay for its actual water usage under the following terms:
 - i. Monthly, on a date set by this contract, Georgetown's actual water usage shall be calculated. Georgetown agrees to pay Redhill \$2.50 per one thousand gallons used for all usage. This payment shall be due no later than 15 days after the date specified in Section 3.a.ii.
 - i. A representative from Redhill and Georgetown shall jointly record the monthly consumption on the 21st day of every month in which the connection is active.
 - b. Also, on the anniversary date of this contract, Redhill will calculate the actual pumping costs of producing the water. These costs include, but are not limited to, electrical and chemical expenses. In the event that these costs increase, the percentage of increase over the previous year shall be calculated and will be applied the following year to the \$2.50 per thousand gallons actual usage fee as defined in Section 3.a.i.

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

(13) TRANSFERS

Transfers were made between the general and enterprise funds to cover general expenses.

(14) ELECTED OFFICIAL'S SALARIES

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>	<u>Annualized Salary</u>
Danny Olden 297 Hwy 502 Georgetown, LA 71432 (318) 827-5575	Mayor	Jan. 1, 2021 – Dec. 31, 2024	\$ 10,804
Jonathan Spurgeon 261 Hwy 502 Georgetown, LA 71432 (318) 623-2823	Alderman	Jan. 1, 2021 – Dec. 31, 2024	\$ 7,813
Ray Williamson PO Box 132 Georgetown, LA 71432 (318) 827-9649	Alderman	Jan. 1, 2021 – Dec. 31, 2024	\$ 8,533
Jim Bradford PO Box 192 Georgetown, LA 71432 (318) 827-5587	Alderman	Jan. 1, 2021 – Dec. 31, 2024	\$ 7,813
George Hinds 1370 Hwy 3098 Georgetown, LA 71432 (318) 623-6726	Police Chief	Oct. 1, 2021 – Dec. 31, 2024	\$ 46,800

(15) SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date through, December 9, 2022, of the independent auditor's report for potential recognition or disclosure in the financial statements.

**Required Supplemental
Information**

Village of Georgetown, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
General Fund
For the Year Ended June 30, 2022

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Fines	\$ 565,000	\$ 550,000	\$ 532,262	\$ (17,738)
Fees & Charges	3,000	2,900	33,666	30,766
Taxes	12,000	17,500	6,786	(10,714)
Post Office Lease	-0-	-0-	4,927	4,927
Grants	-0-	-0-	59,176	59,176
Other	15,000	3,000	11,146	8,146
TOTAL REVENUES	595,000	573,400	647,963	74,563
EXPENDITURES				
General Expense	565,000	617,200	524,218	92,982
Police Expense	25,000	43,000	85,365	(42,365)
Debt Service	-0-	-0-	14,148	(14,148)
Capital Outlay	10,000	2,400	-0-	2,400
TOTAL EXPENDITURES	600,000	662,600	623,731	38,869
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (5,000)	\$ (89,200)	24,232	\$ 35,694
OTHER FINANCING SOURCES (USES)				
Loan Proceeds				
Transfers In (Out)			(36,845)	
TOTAL OTHER FINANCING SOURCES (USES)			(36,845)	
NET CHANGE IN FUND BALANCE			(12,613)	
FUND BALANCES--BEGINNING			110,655	
FUND BALANCES--ENDING			\$ 98,042	

The accompanying notes are an integral part of this statement.

See independent auditor's report.



Other Information

Village of Georgetown, Louisiana
Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2022

Honorable Danny Olden, Mayor

Purpose	Amount
Salary	\$ 10,804
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

**Village of Georgetown
Georgetown, Louisiana
Justice System Funding Schedule – Collecting/Disbursing Entity
Year Ended June 30, 2022**

	First Six Months Ended 12/31/2021	Second Six Months Ended 06/30/2022
Beginning Balance of Amounts Collected	\$ -0-	\$ -0-
Add: Collections		
Criminal Court Costs/Fees	28,020	19,560
Criminal Fines – Contempt	24,000	23,130
Criminal Fines – Other	259,222	183,615
Subtotal Collections	<u>311,242</u>	<u>226,305</u>
Less: Disbursements to Governments & Nonprofits		
Department of Health and Hospital	4,175	3,120
State Treasurer – CMIS	1,338	1,040
North LA Crime Lab	2,350	1,920
LA Commission on Law Enforcement	2,622	2,038
LA Supreme Court Education Fund	667	520
Central LA Juvenile Fund	10,035	7,800
Less: Amounts Retained by Collecting Agency		
Amounts Self-Disbursed – Criminal Fines – Other	256,121	179,347
Less: Disbursements to Individuals/3rd Party Collection or Processing Agency		
American Municipal Services-Collection Agency	19,519	19,571
nCourt Processing Agency	8,674	7,800
Quick Court	5,741	3,149
Subtotal Disbursements/Retainage	<u>311,242</u>	<u>226,305</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	<u>-0-</u>	<u>-0-</u>
Ending Balance of “Partial Payments” Collected but not Disbursed	-0-	-0-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	-0-	-0-
Total Waivers During the Fiscal Period	\$ -0-	\$ -0-

See independent auditor’s report.

OTHER REPORTS

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Association of
Certified Fraud Examiners

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

The Honorable Danny Olden, Mayor
& Members of the Village Council
Georgetown, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and business-type activities of the Village of Georgetown, Louisiana as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Georgetown's basic financial statements, and have issued our report thereon dated December 9, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Georgetown's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Georgetown's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Georgetown's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Georgetown's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana
December 9, 2022

VILLAGE OF GEORGETOWN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2022

We have audited the basic financial statements of the Village of Georgetown, Louisiana, as of and for the year ended June 30, 2022, and have issued our report thereon dated December 9, 2022. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I - Summary of Auditor's Results

Our audit of the financial statements as of June 30, 2022, resulted in an unmodified opinion.

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes Significant Deficiencies Yes

Compliance

Compliance Material to Financial Statements Yes

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion on Compliance Unmodified Qualified
 For Major Programs Disclaimer Adverse

Are the finding required to be reported in accordance with OMG Uniform Guidance?

Yes No

c. Identification Of Major Programs:

CFDA Number (s)	Name Of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance? Yes No

VILLAGE OF GEORGETOWN, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)

For the Year Ended June 30, 2022

Section II - Financial Statement Findings

No items identified.

Section III – Federal Awards Findings and Questioned Costs

Not applicable.

VILLAGE OF GEORGETOWN, LOUISIANA

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Village of Georgetown, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their financial audit for the year ended June 30, 2021.

PRIOR YEAR FINDINGS

2021-1 Budget Variance (Resolved)

Condition: The Village had an unfavorable expenditure variance of \$86,512 or 13.1% in its general fund budget for the year ended June 30, 2022.

Criteria: The Budget Act required that budgets be amended when the variance exceeds 5%.

Cause of Condition: Under budgeting expenditures.

Effect of Condition: Violating the Budget Act.

Recommendation: The Village should amend its budget when there is an unfavorable variance in revenue or expenditures of more than 5%.

Client Response and Corrective Action: The Village will amend its budget when there is an unfavorable variance in revenue or expenditures of more than 5%.

Contact Person: Danny Olden

Anticipated Completion Date: June 30, 2022

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Georgetown, Louisiana

We have performed the procedures enumerated below, which were agreed to by Village of Georgetown (entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period July 1, 2021 to June 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this 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.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: The Village does not have an information technology disaster recovery/business continuity policy.

Management's response: The Village is in discussions with a tech company to provide those services.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to*

public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

There were no exceptions performing these procedures.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exception: There was no evidence that researched reconciling items that have been outstanding for more than 12 months from statement closing date on 2 of the selected reconciliations.

Management's response: Outstanding items over 12 months will be researched.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Observations: The Village Hall.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures

relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Exception: Job duties are not properly segregated for any of the above categories.

Managements response: The Village does not have enough employees to implement these procedures.

5. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

There were no exceptions performing these procedures.

6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

There were no exceptions performing these procedures.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Observations: The Village Hall.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

There were no exceptions performing these procedures.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

There were no exceptions performing these procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Observations: We obtained the list.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

There were no exceptions performing these procedures.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Exception: There was no documentation of individuals participating in meals for meal charges.

Management’s response: Management will document individuals participating in meals on future charges.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

There were no exceptions performing these procedures.

Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

There were no exceptions performing these procedures.

Payroll and Personnel

- 16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Observations: We obtained the list.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do

not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

There were no exceptions performing these procedures.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

There were no exceptions performing these procedures.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

There were no exceptions performing these procedures.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

There were no exceptions performing these procedures.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

There were no exceptions performing these procedures.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

There were no exceptions performing these procedures.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

There were no exceptions performing these procedures.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active

antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

There were no exceptions performing these procedures.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

There were no exceptions performing these procedures.

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

There were no exceptions performing these procedures.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

The Vercher Group

Jena, Louisiana
December 9, 2022