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VILLAGE OF GEORGETOWN  
LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS  
COMBINING AND INDIVIDUAL FUND AND  
ACCOUNT GROUP STATEMENTS AND SCHEDULES  
AND SUPPLEMENTAL DATA

JUNE 30, 1998

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

Release Date ~~DEC 15 1998~~

# VILLAGE OF GEORGETOWN GEORGETOWN, LOUISIANA



• The Village of Georgetown was incorporated under the Lawrason Act and 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 and sewer services) and general administrative functions, including coordination of related services with Parish, State and Federal governing bodies.

**Village of Georgetown, Louisiana**  
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**June 30, 1998**

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**JOHN R. VERCHER PC**

**Certified Public Accountant**

**P.O.Box 1608**

**Jena, Louisiana 71342**

**Tel: (318) 992-6348**

**Fax: (318) 992-4374**

INDEPENDENT AUDITOR'S REPORT ON  
GENERAL PURPOSE FINANCIAL STATEMENTS

The Honorable David Benard, Mayor  
and Members of the Board of Aldermen  
Georgetown, Louisiana

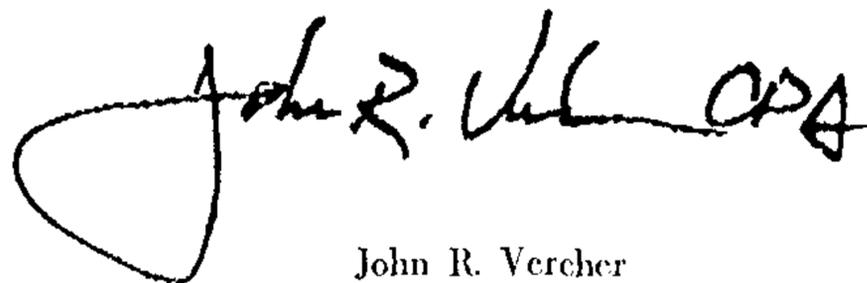
I have audited the accompanying general purpose financial statements of the Village of Georgetown, Louisiana, as of June 30, 1998, and for the year ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Georgetown, Louisiana, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Georgetown, Louisiana, as of June 30, 1998, and the results of its operations and the cash flow of its proprietary fund types for the year ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund group financial statements, schedules and graphs listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Village of Georgetown, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

October 29, 1998  
Jena, Louisiana



John R. Vercher

**JOHN R. VERCHER PC**

**Certified Public Accountant**

**P.O.Box 1608**

**Jena, Louisiana 71342**

**Tel: (318) 992-6348**

**Fax: (318) 992-4374**

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable David Benard, Mayor  
and Members of the Board of Aldermen  
Georgetown, Louisiana

I have audited the financial statements of the Village of Georgetown as of and for the year ended June 30, 1998, and have issued my report thereon dated October 29, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Village of Georgetown's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards* except as follows and as discussed in management letter comments:

**1998-1 Bond Reserve Funds**

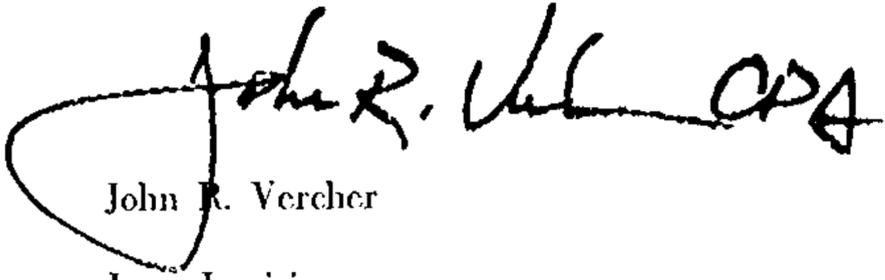
**1998-2 Budgets**

**1998-3 Dedicated Ad Valorem Taxes**

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Village of Georgetown's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "John R. Vercher" followed by a stylized flourish or initials.

John R. Vercher

Jena, Louisiana  
October 29, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS**  
**(COMBINED STATEMENTS - OVERVIEW)**

VILLAGE OF GEORGETOWN, LOUISIANA  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1998

	Governmental Fund Types			
	General Fund	Special Revenue	Capital Projects	Debt Service
<b>ASSETS</b>				
Cash	\$ 4,388	\$ 28	\$ -0-	\$ -0-
Receivables	929	-0-	-0-	-0-
Restricted Assets:				
Cash	-0-	-0-	-0-	-0-
Amount Available in Debt Service for Debt Requirement	-0-	-0-	-0-	-0-
Amount to be Provided for Retirement of Gen. Long-Term Debt	-0-	-0-	-0-	-0-
Plant & Equipment	-0-	-0-	-0-	-0-
Construction in Progress	-0-	-0-	-0-	-0-
Acc. Depreciation	-0-	-0-	-0-	-0-
	-----	-----	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 5,317</b>	<b>\$ 28</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
	-----	-----	-----	-----
<b>LIABILITIES &amp; FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 3,735	\$ -0-	\$ -0-	\$ -0-
Overdrafts	-0-	-0-	-0-	-0-
Payable from				
Restricted Assets	-0-	-0-	-0-	-0-
Customers' Deposit	-0-	-0-	-0-	-0-
Long Term Payables:				
Bonds Payable	-0-	-0-	-0-	-0-
	-----	-----	-----	-----
<b>TOTAL LIABILITIES</b>	<b>\$ 3,735</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
	-----	-----	-----	-----
<b>Fund Equity</b>				
Contributed Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Retained Earnings:				
Unreserved	-0-	-0-	-0-	-0-
Reserved	-0-	-0-	-0-	-0-
Investment in General Fixed Assets	-0-	-0-	-0-	-0-
Unreserved- Undesignated	\$ 1,582	28	-0-	-0-
	-----	-----	-----	-----
<b>TOTAL FUND EQUITY</b>	<b>\$ 1,582</b>	<b>\$ 28</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
	-----	-----	-----	-----
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 5,317</b>	<b>\$ 28</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
	-----	-----	-----	-----

Proprietary Fund Type <u>Enterprise</u>	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
\$ -0-	\$ -0-	\$ -0-	\$ 4,416
6,112	-0-	-0-	7,041
17,844	-0-	-0-	17,844
-0-	-0-	-0-	-0-
-0-	-0-	19,641	19,641
1,652,638	75,694	-0-	1,728,332
598,618	-0-	-0-	598,618
(397,658)	-0-	-0-	(397,658)
-----	-----	-----	-----
\$ 1,877,554	\$ 75,694	\$ 19,641	\$ 1,978,234
-----	-----	-----	-----
\$ 1,037	\$ -0-	\$ -0-	\$ 4,772
2,705	-0-	-0-	2,705
2,852	-0-	-0-	2,852
8,037	-0-	-0-	8,037
32,000	-0-	19,641	51,641
-----	-----	-----	-----
\$ 46,631	\$ -0-	\$ 19,641	\$ 70,007
-----	-----	-----	-----
\$ 2,113,176	\$ -0-	\$ -0-	\$ 2,113,176
(296,379)	-0-	-0-	(296,379)
14,126	-0-	-0-	14,126
-0-	75,694	-0-	75,694
-0-	-0-	-0-	1,610
-----	-----	-----	-----
\$ 1,830,923	\$ 75,694	\$ -0-	\$ 1,908,227
-----	-----	-----	-----
\$ 1,877,554	\$ 75,694	\$ 19,641	\$ 1,978,234
-----	-----	-----	-----

The accompanying notes are an integral part of this statement.

VILLAGE OF GEORGETOWN, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL TYPES  
 YEAR ENDED JUNE 30, 1998

	General Fund	Special Revenue	Capital Projects	Debt Service Funds	Totals (Memorandum Only)
<b>REVENUES:</b>					
Taxes - Ad Valorem	\$ 3,323	\$ -0-	\$ -0-	\$ 4,498	\$ 7,821
Occupational Licenses	9,919	-0-	-0-	-0-	9,919
Tobacco Tax	1,107	-0-	-0-	-0-	1,107
Franchise Fees	4,024	-0-	-0-	-0-	4,024
Intergovernmental - Grants	30,000	18,750	187,410	-0-	236,160
Miscellaneous	847	-0-	-0-	-0-	847
Fines	77,169	-0-	-0-	-0-	77,169
Court Services	11,926	-0-	-0-	-0-	11,926
Road Maintenance Income	6,266	-0-	-0-	-0-	6,266
<b>TOTAL REVENUES</b>	<b>\$ 144,581</b>	<b>\$ 18,750</b>	<b>\$ 187,410</b>	<b>\$ 4,498</b>	<b>\$ 355,239</b>
<b>EXPENDITURES:</b>					
Administration	\$ 53,115	\$ -0-	\$ -0-	\$ -0-	\$ 53,115
Police Expense	20,668	-0-	-0-	-0-	20,668
Office Expense	2,050	-0-	-0-	-0-	2,050
Insurance	6,892	-0-	-0-	-0-	6,892
Complex Expense	30,068	-0-	-0-	-0-	30,068
Utilities	9,081	-0-	-0-	-0-	9,081
Professional Fees	3,125	-0-	-0-	-0-	3,125
Town Hall Renovations	68	-0-	-0-	-0-	68
Repairs & Maintenance & Supplies	1,488	-0-	-0-	-0-	1,488
Other Operating Expense	1,478	-0-	-0-	-0-	1,478
Advertising	245	-0-	-0-	-0-	245
Road Maintenance	6,798	-0-	-0-	-0-	6,798
Administration	-0-	12	9,335	-0-	9,347
Public Works	-0-	18,710	178,075	-0-	196,785
Debt Service:					
Principle Retirement	-0-	-0-	-0-	1,000	1,000
Interest & Fiscal Charges	-0-	-0-	-0-	1,033	1,033
<b>TOTAL EXPENDITURES</b>	<b>\$ 135,076</b>	<b>\$ 18,722</b>	<b>\$ 187,410</b>	<b>\$ 2,033</b>	<b>\$ 343,241</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 9,505</b>	<b>\$ 28</b>	<b>\$ -0-</b>	<b>\$ 2,465</b>	<b>\$ 11,998</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers Out	\$ (11,542)	\$ -0-	\$ -0-	\$ (2,465)	\$ (14,007)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (11,542)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ (2,465)</b>	<b>\$ (14,007)</b>
<b>EXCESS (DEFICIT) OF REVENUE &amp; OTHER SOURCES OVER EXPENDITURES &amp; OTHER</b>	<b>\$ (2,037)</b>	<b>\$ 28</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ (2,009)</b>
<b>FUND BALANCES,</b>					
<b>BEGINNING OF YEAR</b>	<b>\$ 3,619</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 3,619</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 1,582</b>	<b>\$ 28</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 1,610</b>

The accompanying notes are an integral part of this statement.

VILLAGE OF GEORGETOWN, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL -  
 GENERAL, SPECIAL REVENUE AND CAPITAL PROJECTS FUND TYPES  
 YEAR ENDED JUNE 30, 1998

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes - Ad Valorem	\$ 4,438	\$ 3,323	\$ (1,115)
Occupational Licenses	10,456	9,919	(537)
Tobacco Tax	738	1,107	369
Franchise Fees	2,878	4,024	1,146
Misc. Revenues	3,651	847	(2,804)
Fines	78,500	77,169	(1,331)
Road Maintenance	7,515	6,266	(1,249)
Grants	-0-	30,000	30,000
Court Services	-0-	11,926	11,926
Intergovernmental	-0-	-0-	-0-
<b>Total Revenues</b>	<b>\$ 108,176</b>	<b>\$ 144,581</b>	<b>\$ 36,405</b>
<b>Expenditures:</b>			
Salaries & Benefits	\$ 57,715	\$ 53,115	\$ 4,600
Police Expense	14,359	20,668	(6,309)
Office Expense	2,258	2,050	208
Insurance	10,259	6,892	3,367
Truck Expense	1,763	-0-	1,763
Utilities	8,686	9,081	(395)
Professional Fees	3,350	3,125	225
Town Hall Renovations	196	68	128
Repair & Maintenance	3,497	1,488	2,009
Other Operating Expense	1,665	1,478	187
Christmas Fund Expense	471	-0-	471
Road Maintenance Expense	4,200	6,798	(2,598)
Advertising	-0-	245	(245)
Complex Expense	-0-	30,068	(30,068)
Administration	-0-	-0-	-0-
Public Works	-0-	-0-	-0-
Real Property Acquisition	-0-	-0-	-0-
<b>Total Expenditures</b>	<b>\$ 108,419</b>	<b>\$ 135,076</b>	<b>\$ (26,657)</b>
<b>Excess (Deficiency) of Revenues and Over Expenditures</b>	<b>\$ (243)</b>	<b>\$ 9,505</b>	<b>\$ 9,748</b>
<b>Other Financing Sources:</b>			
Operating Transfers In	\$ 243	\$ (11,542)	\$ (11,785)
<b>Total Other Financing Sources</b>	<b>\$ 243</b>	<b>\$ (11,542)</b>	<b>\$ (11,785)</b>
<b>Excess of Revenue &amp; Other Sources Over Expenditures</b>	<b>\$ -0-</b>	<b>\$ (2,037)</b>	<b>\$ (2,037)</b>
Fund Balances, Beginning	-0-	3,619	3,619
<b>Fund Balances, Ending</b>	<b>\$ -0-</b>	<b>\$ 1,582</b>	<b>\$ 1,582</b>

Special Revenue				Capital Projects Fund			
Budget	Actual	Variance Favorable (Unfavorable)		Budget	Actual	Variance Favorable (Unfavorable)	
\$ -0-	\$ -0-	\$ -0-		\$ -0-	\$ -0-	\$ -0-	
-0-	-0-	-0-		-0-	-0-	-0-	
-0-	-0-	-0-		-0-	-0-	-0-	
-0-	-0-	-0-		-0-	-0-	-0-	
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-0-	-0-	-0-		-0-	-0-	-0-	
-0-	-0-	-0-		-0-	-0-	-0-	
-0-	-0-	-0-		-0-	-0-	-0-	
18,750	18,750	-0-		188,792	187,410	(1,382)	
\$ 18,750	\$ 18,750	\$ -0-		\$ 188,792	\$ 187,410	\$ (1,382)	
\$ -0-	\$ -0-	\$ -0-		\$ -0-	\$ -0-	\$ -0-	
-0-	-0-	-0-		-0-	-0-	-0-	
-0-	-0-	-0-		-0-	-0-	-0-	
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-0-	-0-	-0-		-0-	-0-	-0-	
-0-	-0-	-0-		-0-	-0-	-0-	
12	12	-0-		9,717	9,335	382	
18,738	18,710	28		178,075	178,075	-0-	
-0-	-0-	-0-		1,000	-0-	1,000	
18,750	18,722	28		188,792	187,410	1,382	
\$ -0-	\$ 28	\$ 28		\$ -0-	\$ -0-	\$ -0-	
\$ -0-	\$ -0-	\$ -0-		\$ -0-	\$ -0-	\$ -0-	
\$ -0-	\$ -0-	\$ -0-		\$ -0-	\$ -0-	\$ -0-	
\$ -0-	\$ 28	\$ 28		\$ -0-	\$ -0-	\$ -0-	
-0-	-0-	-0-		-0-	-0-	-0-	
\$ -0-	\$ 28	\$ 28		\$ -0-	\$ -0-	\$ -0-	

The accompanying notes are an integral part of this statement.

**VILLAGE OF GEORGETOWN, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**ALL PROPRIETARY FUND TYPES**  
**ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 1998**

<b>OPERATING REVENUES:</b>	
Charges for Service	\$ 48,857
Taxes	14,592
Other Misc.	<u>2,667</u>
<b>TOTAL OPERATING REVENUES</b>	<b>\$ <u>66,116</u></b>
<b>OPERATING EXPENSES:</b>	
Office Supplies	\$ 512
Labor	34,939
Depreciation	41,316
Repairs/Maintenance and Supplies	20,213
Utilities	6,981
Insurance	1,390
Legal & Accounting	1,720
Other Operating Expense	<u>2,825</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ <u>109,896</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b><u>(43,780)</u></b>
<b>Non-Operating Revenue (Expenses):</b>	
Interest Income	\$ 106
Interest Expense	<u>(1,750)</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSE)</b>	<b>\$ <u>(1,644)</u></b>
<b>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>\$ <u>(45,424)</u></b>
<i>Net Transfers From/To Other Funds</i>	<i>\$ 14,008</i>
<b>TOTAL TRANSFERS</b>	<b>\$ 14,008</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (31,416)</b>
<b>Retained Earnings (Deficit), Beginning</b>	<b>\$ <u>(250,837)</u></b>
<b>Retained Earnings (Deficit), Ending</b>	<b>\$ <u>(282,253)</u></b>

The accompanying notes are an integral part of this statement.

VILLAGE OF GEORGETOWN, LOUISIANA  
STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
ENTERPRISE FUND  
YEAR ENDED JUNE 30, 1998

Cash from Operations:		
Income (Loss) Before Operating Transfers		\$ (45,424)
Operating Transfers		<u>14,008</u>
Net Income (Loss)		\$ <u>(31,416)</u>
Adjustments to Net income (Loss):		
Add - Depreciation	\$ 41,316	
Decrease in Accrued Expenses	(51)	
Decrease (Increase) in Accounts Receivable	(1,217)	
Increase (Decrease) in Accounts Payable	<u>(1,054)</u>	
Net Adjustments		<u>38,994</u>
Cash Provided by Operations		\$ 7,578
Cash from Customer Deposits		669
Block Grant		<u>187,410</u>
Total Cash Provided		\$ <u>195,657</u>
Cash Was Applied To:		
Fixed Assets	\$ 187,410	
Restricted Funds	11,489	
Revenue Bonds	<u>2,000</u>	
Total Cash Applied		\$ <u>200,899</u>
Net Increase (Decrease) in Cash Flow		\$ (5,242)
Cash Beginning of Year		<u>2,537</u>
Cash End of Year		\$ <u>(2,705)</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**Village of Georgetown, Louisiana**  
**Notes to Financial Statements**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Georgetown was incorporated under the Lawrason Act and 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 and sewer services) and general administrative functions, including coordination of related services with Parish, State and Federal governing bodies.

The accounting policies of the Village of Georgetown conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

This report includes all funds and the account group which are controlled by or dependent on the Village's executive and legislative branches (the Mayor and Board of Alderman). Control by or dependence on the Village was determined on the basis of adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

B. Fund Accounting

The accounts of the Village of Georgetown are organized on the basis of funds and on account groups, each of which is considered a separate accounting entity. The various funds and account groups are reported by generic fund type in the financial statements. Each fund operates with a group of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund categories, fund types and account groups are used by the Village:

**GOVERNMENTAL FUND TYPES**

General Fund

The General Fund is the general operating fund of the Village and is used to account for all financial resources except for those required to be accounted for in another fund.

Special Revenue Fund

Special revenue fund accounts are for funds collected and dedicated for a specific purpose or activity.

Capital Projects

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds and trust funds).

**Village of Georgetown, Louisiana**  
**Notes to Financial Statements (Cont.)**

Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources to pay general long-term debt principal, interest, and related costs. The Debt Service is comprised of the accounts to service the Village's Public Improvement Bonds.

**PROPRIETARY FUND TYPES**

Enterprise Fund

The Enterprise Funds are used to account for operations (a) that are financed and operated similar to private business enterprises whereby the intent of the governing body is that the costs, including depreciation, of providing goods or services to the general public be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Village's Enterprise Funds are comprised of its Utility Department's water and sewer systems.

**ACCOUNTS GROUPS**

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the Village, except those accounted for in the Enterprise Fund.

General Long-Term Debt Account Group

This account group is established to account for all long-term obligations of the Village, except those long-term obligations accounted for in the Enterprise Fund.

**C. BASIS OF ACCOUNTING**

Basis of accounting refers to the time at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Governmental Funds

These funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad Valorem taxes and charges for services are considered "measurable" at the time of billing. Licenses and permits, intergovernmental revenue, franchise taxes and miscellaneous other revenues are generally recorded as revenues when received in cash because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: principal and interest on general long-term debt which is recognized when due.

**Village of Georgetown, Louisiana**  
**Notes to Financial Statements (Cont.)**

Proprietary Fund

This fund is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred. Enterprise fund receivables are charged-off when collection efforts indicate that such account is doubtful of being collected.

**D. FIXED ASSETS AND LONG-TERM LIABILITIES**

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are capitalized. Since no accounting records are maintained on infrastructure, these assets are not included in the financial statements.

All fixed assets of the Proprietary Fund are valued at historical cost. The General Fixed Asset Account Group property records are not sufficiently detailed to provide data with respect to whether the assets acquired prior to June 30, 1994, are recorded at historical cost, estimated historical cost, or at estimated fair value on date donated. General fixed assets acquired subsequent to June 30, 1994 are recorded at historical cost.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations. Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Account Group.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity is included on its balance sheets. Its reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

**Village of Georgetown, Louisiana  
Notes to Financial Statements (cont.)**

**D. FIXED ASSETS AND LONG-TERM LIABILITIES - (CONT.)**

For the year ended June 30, 1998, no interest costs were capitalized for construction of fixed assets.

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

	Life in Years
Water System	40
Sewer System	40

**E. BUDGETS AND BUDGETARY ACCOUNTING**

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

- (1) The Village CPA prepares a proposed budget based on departmental group budget requests, and submits same to the Mayor and Board of Aldermen for approval.
- (2) The Village does not utilize the budget in comparison form in financial statement presentation during the year.
- (3) All budgetary appropriations lapse at the end of the fiscal year.
- (4) A budget was prepared for the Capital Projects Fund which accounts for the LCDBG Program. The Budget is prepared on a "project wide" basis which may consist of several years. The budget comparison includes the remaining budgeted amounts in the project.

**F. CASH AND INVESTMENTS**

All cash and investments are reported at cost and are on deposit at the following federally insured banks:

	Bank Statement Balance 6-30-98
<u>Bank</u> Southern Heritage Bank	\$ 34,794 -----

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

	Market Value
<u>Description</u> FDIC	\$ 34,794 -----

**Village of Georgetown, Louisiana**  
**Notes to Financial Statements (Cont.)**

**G. INVENTORIES**

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

**H. ACCOUNTS RECEIVABLE AND BAD DEBTS - GENERAL FUND AND ALLOWANCE FOR BAD DEBTS - ENTERPRISE FUND**

At June 30, 1998 no reserve for bad debts was required since the estimated uncollectible receivables outstanding were considered immaterial.

	General Fund	Enterprise Fund	
		Water Fund	Sewer Fund
Receivable - Franchise	\$ 761	\$ -0-	\$ -0-
Tax	168	1,170	-0-
Customer	-0-	2,619	2,323
Allowance for Bad Debts	-0-	-0-	-0-
Total	\$ 929	\$ 3,789	\$ 2,323

**I. COMPENSATED ABSENCES**

The Village has no compensated absence policy.

**J. RESERVES**

The Village records reserves to indicate that a portion of its retained earnings/fund balances are legally restricted for a specific future use. The following is a list of such reserves and a description of each:

Reserved for System Maintenance

This amount represents monies reserved for repairs and replacement of the water system.

Reserved - Revenue Bonds

This amount represents monies reserved as required by the revenue bond indentures.

Reserved for Debt Service

Certain assets have been reserved in the Debt Service Fund for future payment of long-term liabilities of the governmental funds.

**K. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Village of Georgetown, Louisiana  
Notes to Financial Statements (Cont.)**

(2) 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 December 31, 1998, taxes of 19.19 mills were levied against property having a valuation of some \$450,896 which produced some \$8,630 in revenue.

Ad Valorem Taxes are broken down as follows:

	<u>Mills</u>
Georgetown Debt Service - General Obligation Bonds	5.00
Georgetown Sewer District No. 1 - General Obligation Bonds	5.00
General Alimony	9.19
Total	<u>19.19</u>

(3) SALES TAX

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

(4) RESTRICTED ASSETS - PROPRIETARY FUND TYPES

At June 30, 1998, restricted assets of the Enterprise Funds were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

	<u>Water</u>	<u>Sewer</u>
Sales Tax Repair & Maintenance	\$ 6,427	\$ -0-
Tax Bond Sinking	-0-	7,700
Meter Deposit	<u>3,717</u>	<u>-0-</u>
Total	<u>\$ 10,144</u>	<u>\$ 7,700</u>

(5) ENTERPRISE FUND PROPERTY PLANT AND EQUIPMENT

A summary of enterprise fund property, plant and equipment at June 30, 1998, is as follows:

	<u>Balance 6-30-97</u>	<u>Additions (Deletions)</u>	<u>Balance 6-30-98</u>	<u>Accumulated Depreciation 6-30-98</u>
<b>Water</b>				
Distribution System	\$ 678,080	\$ -0-	\$ 678,080	\$ 184,216
Construction in Progress	<u>411,208</u>	<u>187,410</u>	<u>598,618</u>	<u>-0-</u>
Total	<u>\$ 1,089,288</u>	<u>\$ 187,410</u>	<u>\$ 1,276,698</u>	<u>\$ 184,216</u>
<b>Sewer</b>				
Plant	<u>\$ 974,558</u>	<u>\$ -0-</u>	<u>\$ 974,558</u>	<u>\$ 213,442</u>

**Village of Georgetown, Louisiana**  
**Notes to Financial Statements (Cont.)**

(6) CHANGES IN LONG-TERM DEBT

The following is a summary of bond and installment notes payable transactions of Village of Georgetown for the year ended June 30, 1998.

	Balance 6-30-97	Additions	Payments	Balance 6-30-98
General Obligation Bonds	\$ 20,641	\$ -0-	\$ 1,000	\$ 19,641
Installment Note Payable	3,898	-0-	2,872	1,026
Capital Lease Payable	8,726	-0-	2,988	5,738
Lease Purchase Payable	12,558	-0-	6,353	6,205
Revenue Bonds	36,000	-0-	2,000	34,000
<b>Total</b>	<b>\$ 81,823</b>	<b>\$ -0-</b>	<b>\$ 15,213</b>	<b>\$ 66,610</b>

Bond and installment notes payable at June 30, 1998 are comprised of the following issues:

**Revenue Bonds (Enterprise Fund)**

\$ 60,000 Sewer Revenue Bonds dated 1975, due in monthly installments of \$1,000 to \$2,000 through January 1, 2015, interest at 5 percent. \$ 34,000

**General Obligation Bonds (Ad Valorem Tax)**

\$ 36,000 (2 at \$18,000 each) General Obligation Bonds dated 1-1-76 and 1-1-75, due in annual installments of \$1,000 (\$500 each) through 1-1-2015, interest at 5 percent. 19,641

**Notes Payable**

Southern Heritage Bank loan for the purchase of a tractor and bushhog originated for \$7,970, due in monthly installments of \$266 beginning 11/30/95 through 10/30/98, interest at 12.27%. 1,026

Lease purchase from Ford Motor Credit for the purchase of a 96 Ford Ranger, originated for \$12,258, due in monthly installments of \$290 beginning 4/22/96 through 3/22/00, interest at 6.7%. 5,738

Lease purchase from Ford Motor Credit for the purchase of a police car originated at \$19,086, due in monthly installments of \$583 beginning 6/14/96 through 5/14/99, interest at 6.6%. 6,205

**Total** **\$ 66,610**

The annual requirements to amortize all debt outstanding as of June 30, 1998, including interest payments of \$30,890 are as follows:

Year Ending June 30,	G.O. Bonds	Sewer Revenue Bonds	Tractor Note N/P	Police Car N/P	Ranger Truck N/P	Total
1999	\$ 2,232	\$ 3,150	\$ 1,053	\$ 6,414	\$ 3,485	\$ 16,334
2000	2,232	3,150	-0-	-0-	2,615	7,997
2001	2,232	3,150	-0-	-0-	-0-	5,382
2002	2,232	3,150	-0-	-0-	-0-	5,382
2003	2,232	3,150	-0-	-0-	-0-	5,382
Thereafter	14,425	42,598	-0-	-0-	-0-	57,023
<b>Total</b>	<b>\$ 25,585</b>	<b>\$ 58,348</b>	<b>\$ 1,053</b>	<b>\$ 6,414</b>	<b>\$ 6,100</b>	<b>\$ 97,500</b>

**Village of Georgetown, Louisiana  
Notes to Financial Statements (Cont.)**

(6) CHANGES IN LONG-TERM DEBT - (CONT)

Under the terms of the bond indenture on outstanding Sewer Revenue Bonds dated 1975, earnings of the sewer system are to be maintained separately and used for the following purposes:

- (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 "Sewer Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next principal and interest payment.
- (c) Each month, there will be set aside into a "Sewer Reserve Fund" 5% of the amount paid into the Sinking Fund. These funds may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not available in the Sinking Fund.
- (d) There will also be set aside into a "Sewer Depreciation and Contingency Fund" 5% of the amount paid into the sinking fund. These funds will be used to care for depreciation, extensions, additions, improvements and replacements necessary to operate the system properly, and to pay interest and principal on bonds when there is not sufficient money in the Sinking or Reserve Fund.
- (e) All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful purpose.

(7) CHANGES IN GENERAL FIXED ASSETS

	Balance 6-30-97	Additions	Deletions	Balance 6-30-98
Equipment	\$ <u>75,694</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>75,694</u>
Total	\$ <u>75,694</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>75,694</u>

(8) LITIGATION

The Village of Georgetown is involved in no litigation at June 30, 1998, which is not covered by the Village's applicable insurance policies or is considered to be significant to the Village's financial statements.

(9) ELECTED OFFICIAL'S SALARIES

Name	Title	Annualized Salary
David Benard	Mayor	\$ 3,600
John Budemer	Alderman	1,200
Bill Budemer	Alderman	1,200
Ray Williamson	Alderman	1,200
Earl Self Jr.	Police Chief	24,440

(10) CAPITAL CONTRIBUTIONS - WATER FUND

Contributed Capital 6-30-97	\$ 1,011,208
Capital Projects - LCDBG 101-6013	<u>187,410</u>
Contributed Capital 6-30-98	<u>\$ 1,198,618</u>

**Village of Georgetown, Louisiana**  
**Notes to Financial Statements (Cont.)**

(11) FUND DEFICITS

The water fund and sewer fund have retained earnings deficits of \$102,919 and \$179,334 respectively because of depreciation taken on that part of the plant constructed with contributed capital. Accumulated depreciation taken on that part of the plant constructed with contributed capital amounted to \$184,216 for the water fund and \$213,442 for the sewer fund.

(12) LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT (LCDBG)

The Village of Georgetown has been awarded a Community Development Block Grant in the amount of \$600,000 for water system construction. As of June 30, 1998, \$598,618 of these funds have been expended and recorded as contributed capital in the water fund.

(13) EXPENDITURES IN EXCESS OF APPROPRIATIONS

The general fund overspent its budget by \$26,657 or 24.5% during the year.

FINANCIAL STATEMENTS  
OF INDIVIDUAL FUNDS  
AND ACCOUNT GROUPS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VILLAGE OF GEORGETOWN, LOUISIANA  
GENERAL FUND

BALANCE SHEET  
JUNE 30, 1998

<u>ASSETS</u>	
Cash	\$ 4,388
Receivables	929
	-----
Total Assets	\$ <u>5,317</u>

<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities	
Accounts Payable	\$ <u>3,735</u>
Total Liabilities	\$ <u>3,735</u>
Fund Balance	
Unreserved - Undesignated	\$ <u>1,582</u>
Total Liabilities and Fund Balance	\$ <u>5,317</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF GEORGETOWN, LOUISIANA  
GENERAL FUND

STATEMENT OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Taxes - Ad Valorem	\$ 4,438	\$ 3,323	\$ (1,115)
Occupational Licenses	10,456	9,919	(537)
Tobacco Tax	738	1,107	369
Franchise Fees	2,878	4,024	1,146
Misc. Revenues	3,651	847	(2,804)
Fines	78,500	77,169	(1,331)
Road Maintenance Income	7,515	6,266	(1,249)
Court Services	-0-	11,926	11,926
Grants	-0-	30,000	30,000
<b>Total Revenues</b>	<b>\$ 108,176</b>	<b>\$ 144,581</b>	<b>\$ 36,405</b>
<b>Expenditures:</b>			
Salaries & Related Benefits	\$ 57,715	\$ 53,115	\$ 4,600
Police Expense	14,359	20,668	(6,309)
Office Expense	2,258	2,050	208
Insurance	10,259	6,892	3,367
Truck Expense	1,763	-0-	1,763
Utilities	8,686	9,081	(395)
Professional Fees	3,350	3,125	225
Town Hall Renovations	196	68	128
Repair & Maintenance	3,497	1,488	2,009
Other Operating Expense	1,665	1,478	187
Christmas Fund Expense	471	-0-	471
Road Maintenance Expense	4,200	6,798	(2,598)
Advertising	-0-	245	(245)
Complex Expense	-0-	30,068	(30,068)
<b>Total Expenditures</b>	<b>\$ 108,419</b>	<b>\$ 135,076</b>	<b>\$ (26,657)</b>
<b>Excess (Deficiency) of Revenues and Over Expenditures</b>	<b>\$ (243)</b>	<b>\$ 9,505</b>	<b>\$ 9,748</b>
<b>Other Financing Sources:</b>			
Operating Transfers In (Out)	\$ 243	\$ (11,542)	\$ (11,785)
<b>Total Other Financing Sources</b>	<b>\$ 243</b>	<b>\$ (11,542)</b>	<b>\$ (11,785)</b>
<b>Excess of Revenue &amp; Other Sources Over Expenditures</b>	<b>\$ -0-</b>	<b>\$ (2,037)</b>	<b>\$ (2,037)</b>
<b>Fund Balances, Beginning</b>	<b>-0-</b>	<b>3,619</b>	<b>3,619</b>
<b>Fund Balances, Ending</b>	<b>\$ -0-</b>	<b>\$ 1,582</b>	<b>\$ 1,582</b>

The accompanying notes are an integral part of this statement.

## SPECIAL REVENUE FUND

To account for special funds collected and dedicated for a specific purpose or activity.

VILLAGE OF GEORGETOWN, LOUISIANA  
SPECIAL REVENUE FUND

BALANCE SHEET  
JUNE 30, 1998

<u>ASSETS</u>	
Cash	\$ 28
	-----
<b>TOTAL ASSETS</b>	<b>\$ 28</b>
	-----
 <u>LIABILITIES AND EQUITY</u>	
Contracts Payable	\$ -0-
Fund Balance	28
	-----
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 28</b>
	-----

The accompanying notes are an integral part of this statement.

VILLAGE OF GEORGETOWN, LOUISIANA  
SPECIAL REVENUE FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
JUNE 30, 1998

REVENUES

Intergovernmental	\$ 18,750
	-----
TOTAL REVENUES	\$ 18,750
	-----

EXPENDITURES

Administration	\$ 12
Public Works	18,710
	-----
TOTAL EXPENDITURES	\$ 18,722
	-----
EXCESS OF REVENUE OVER EXPENDITURES	\$ 28
FUND BALANCE BEGINNING OF YEAR	-0-
	-----
FUND BALANCE END OF YEAR	\$ 28
	-----

The accompanying notes are an integral part of this statement.

VILLAGE OF GEORGETOWN, LOUISIANA  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
(BUDGET VS ACTUAL)

FOR THE YEAR ENDED JUNE 30, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 18,750	\$ 18,750	\$ -0-
	-----	-----	-----
TOTAL REVENUES	\$ 18,750	\$ 18,750	\$ -0-
	-----	-----	-----
 <b>EXPENDITURES</b>			
Administration	\$ 12	\$ 12	\$ -0-
Public Works	18,738	18,710	28
	-----	-----	-----
TOTAL EXPENDITURES	\$ 18,750	\$ 18,722	\$ 28
	-----	-----	-----
Excess (Deficiency) of Revenues Over Expenditures	-0-	28	28
Fund Balance Beginning of Year	-0-	-0-	-0-
	-----	-----	-----
Fund Balance End of Year	\$ -0-	\$ 28	\$ 28
	-----	-----	-----

The accompanying notes are an integral part of this statement.

## CAPITAL PROJECTS FUND

To account for the purchase of construction of major capital facilities which are not financed by proprietary funds, special assessment funds or trust funds.

LCDBG # 101-6013 in the amount of \$600,000 for water system improvements.

VILLAGE OF GEORGETOWN, LOUISIANA  
CAPITAL PROJECTS FUND  
LCDBG PROJECT NO. 101-6013

BALANCE SHEET  
JUNE 30, 1998

ASSETS	
<hr/>	
Cash	\$ -0-
	<hr/>
TOTAL ASSETS	\$ -0-
	<hr/>
LIABILITIES AND EQUITY	
<hr/>	
Contracts Payable	\$ -0-
Fund Balance	-0-
	<hr/>
TOTAL LIABILITIES AND EQUITY	\$ -0-
	<hr/>

The accompanying notes are an integral part of this statement.

VILLAGE OF GEORGETOWN, LOUISIANA  
 CAPITAL PROJECTS FUND  
 CAPITAL PROJECT NO. 101-6013

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 JUNE 30, 1998

<b>REVENUES</b>	
Intergovernmental	\$ 187,410
	-----
TOTAL REVENUES	\$ 187,410
	-----
 <b>EXPENDITURES</b>	
Administration	\$ 9,335
Public Works	178,075
	-----
TOTAL EXPENDITURES	\$ 187,410
	-----
EXCESS OF REVENUE OVER EXPENDITURES	\$ -0-
FUND BALANCE BEGINNING OF YEAR	-0-
	-----
FUND BALANCE END OF YEAR	\$ -0-
	-----

The accompanying notes are an integral part of this statement.

VILLAGE OF GEORGETOWN, LOUISIANA  
 CAPITAL PROJECTS FUND  
 LCDBG PROJECT NO. - 101-6013  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 (BUDGET VS ACTUAL)

FOR THE YEAR ENDED JUNE 30, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 188,792	\$ 187,410	\$ (1,382)
	-----	-----	-----
TOTAL REVENUES	\$ 188,792	\$ 187,410	\$ (1,382)
	-----	-----	-----
<b>EXPENDITURES</b>			
Administration	\$ 9,717	\$ 9,335	\$ 382
Public Works	178,075	178,075	-0-
Real Property Acquisition	1,000	-0-	1,000
	-----	-----	-----
TOTAL EXPENDITURES	\$ 188,792	\$ 187,410	\$ 1,382
	-----	-----	-----
Excess (Deficiency) of Revenues Over Expenditures	-0-	-0-	-0-
Fund Balance Beginning of Year	-0-	-0-	-0-
	-----	-----	-----
Fund Balance End of Year	\$ -0-	\$ -0-	\$ -0-
	-----	-----	-----

The accompanying notes are an integral part of this statement.

## DEBT SERVICE FUNDS

### Public Improvement Bond - Series A - Village Sewer

To accumulate monies for the payment of \$36,000 of Public Improvement bonds issued 1-1-75; and 1-1-76 due in annual installments of \$1,000 (\$500 each) through 1-1-2015; interest at 5%

VILLAGE OF GEORGETOWN, LOUISIANA  
DEBT SERVICE FUNDS

COMBINING BALANCE SHEET  
JUNE 30, 1998

	<u>Village of Georgetown</u>	<u>Sewer District No. 1</u>	<u>Total</u>
<b>ASSETS</b>			
<hr/>			
Cash	\$ -0-	\$ -0-	\$ -0-
<b>TOTAL ASSETS</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
	<hr/>	<hr/>	<hr/>
 <b>LIABILITIES AND FUND BALANCE</b>			
<hr/>			
Fund Balance	\$ -0-	\$ -0-	\$ -0-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

VILLAGE OF GEORGETOWN, LOUISIANA  
DEBT SERVICE FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 1998

	<u>Village of Georgetown</u>	<u>Sewer District No. 1</u>	<u>Total</u>
<b>Revenues:</b>			
Ad Valorem Taxes	\$ 2,249	\$ 2,249	\$ 4,498
	-----	-----	-----
Total Revenue	\$ 2,249	\$ 2,249	\$ 4,498
	-----	-----	-----
<b>Expenditures:</b>			
Principal Retirement	\$ 500	\$ 500	\$ 1,000
Interest	495	538	1,033
	-----	-----	-----
Total Expenditures	\$ 995	\$ 1,038	\$ 2,033
	-----	-----	-----
Excess Expenditures Over Revenues Before Operating Transfers	\$ 1,254	\$ 1,211	\$ 2,465
	-----	-----	-----
<b>Operating Transfers:</b>			
Transfers to Sewer	\$ (1,254)	\$ (1,211)	\$ (2,465)
	-----	-----	-----
Excess Expenditures Of Revenues After Operating Transfers	\$ -0-	\$ -0-	\$ -0-
	-----	-----	-----
Fund Balance Beginning of Year	-0-	-0-	-0-
	-----	-----	-----
Fund Balance End of Year	\$ -0-	\$ -0-	\$ -0-
	-----	-----	-----

The accompanying notes are an integral part of this statement.

## PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

To account for the operations of the water and sewer systems of the Village that are financed and operated in a manner similar to private business enterprises - where the intent is that the costs (expenses, including depreciation of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

VILLAGE OF GEORGETOWN, LOUISIANA  
ENTERPRISE FUND

COMBINING BALANCE SHEET  
JUNE 30, 1998

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash	\$ -0-	\$ -0-	\$ -0-
Receivables:			
Utility Bills	3,789	2,323	6,112
TOTAL CURRENT ASSETS	\$ 3,789	\$ 2,323	\$ 6,112
<b>RESTRICTED ASSETS:</b>			
Sales Tax Maintenance Fund	\$ 6,427	\$ -0-	\$ 6,427
Bond Sinking Fund	-0-	7,700	7,700
Meter Deposit Fund	3,717	-0-	3,717
TOTAL RESTRICTED ASSETS	\$ 10,144	\$ 7,700	\$ 17,844
<b>PROPERTY, PLANTS AND EQUIPMENT:</b>			
Property, Plant and Equipment	\$ 678,080	\$ 974,558	\$ 1,652,638
Construction in Progress	598,618	-0-	598,618
Less Accumulated Depreciation	(184,216)	(213,442)	(397,658)
NET PROPERTY, PLANT & EQUIPMENT	\$ 1,092,482	\$ 761,116	\$ 1,853,598
TOTAL ASSETS	\$ 1,106,415	\$ 771,139	\$ 1,877,554
<b>LIABILITIES &amp; FUND EQUITY</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
<b>(Payable from Current Assets):</b>			
Accounts	\$ 594	\$ 443	\$ 1,037
Overdraft	2,085	620	2,705
Total Payable from Current Assets	\$ 2,679	\$ 1,063	\$ 3,742
<b>(Payable from Restricted Assets):</b>			
Accrued Interest	\$ -0-	\$ 852	\$ 852
Revenue Bonds Payable	-0-	2,000	2,000
TOTAL CURRENT LIABILITIES	\$ 2,679	\$ 3,915	\$ 6,594
<b>LONG-TERM LIABILITIES:</b>			
Customer Deposits	\$ 8,037	\$ -0-	\$ 8,037
Revenue Bonds Payable	-0-	32,000	32,000
TOTAL LONG-TERM LIABILITIES	\$ 8,037	\$ 32,000	\$ 40,037
TOTAL LIABILITIES	\$ 10,716	\$ 35,915	\$ 46,631
<b>FUND EQUITY:</b>			
<b>CONTRIBUTED CAPITAL</b>			
Municipality and Other	\$ 1,198,618	\$ 914,558	\$ 2,113,176
TOTAL CONTRIBUTED CAPITAL	\$ 1,198,618	\$ 914,558	\$ 2,113,176
<b>RETAINED EARNINGS</b>			
Reserved for System Maintenance	\$ 6,426	\$ -0-	\$ 6,426
Reserved for Revenue Bonds	-0-	7,700	7,700
Unreserved	(109,345)	(187,034)	(296,379)
TOTAL RETAINED EARNINGS	\$ (102,919)	\$ (179,334)	\$ (282,253)
TOTAL FUND EQUITY	\$ 1,095,699	\$ 735,224	\$ 1,830,923
TOTAL LIABILITIES & FUND EQUITY	\$ 1,106,415	\$ 771,139	\$ 1,877,554

The accompanying notes are an integral part of this statement.

**VILLAGE OF GEORGETOWN, LOUISIANA  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 1998**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Service	\$ 25,897	\$ 22,960	\$ 48,857
Sales Taxes	14,592	-0-	14,592
Other Misc.	1,726	941	2,667
	-----	-----	-----
<b>TOTAL</b>	<b>\$ 42,215</b>	<b>\$ 23,901</b>	<b>\$ 66,116</b>
	-----	-----	-----
<b>OPERATING EXPENSES:</b>			
Office Supplies	\$ 357	\$ 155	\$ 512
Salaries & Labor	17,983	16,956	34,939
Depreciation	16,952	24,364	41,316
Repairs/Maintenance and Supplies	16,181	4,032	20,213
Utilities	4,030	2,951	6,981
Insurance	874	516	1,390
Legal & Accounting	1,720	-0-	1,720
Other Operating Expense	1,807	1,018	2,825
	-----	-----	-----
<b>TOTAL</b>	<b>\$ 59,904</b>	<b>\$ 49,992</b>	<b>\$ 109,896</b>
	-----	-----	-----
<b>OPERATING INCOME (LOSS)</b>	<b>(17,689)</b>	<b>(26,091)</b>	<b>(43,780)</b>
	-----	-----	-----
<b>NON-OPERATING REVENUE (EXPENSES):</b>			
Interest Income	\$ 92	\$ 14	\$ 106
Interest Expense	-0-	(1,750)	(1,750)
	-----	-----	-----
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>\$ 92</b>	<b>\$ (1,736)</b>	<b>\$ (1,644)</b>
	-----	-----	-----
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>\$ (17,597)</b>	<b>\$ (27,827)</b>	<b>\$ (45,424)</b>
	-----	-----	-----
Transfers From (To) Other Funds	\$ 1,135	\$ 12,873	\$ 14,008
	-----	-----	-----
<b>TOTAL TRANSFERS</b>	<b>\$ 1,135</b>	<b>\$ 12,873</b>	<b>\$ 14,008</b>
	-----	-----	-----
<b>NET INCOME (LOSS)</b>	<b>\$ (16,462)</b>	<b>\$ (14,954)</b>	<b>\$ (31,416)</b>
	-----	-----	-----
<b>RETAINED EARNINGS (DEFICIT), BEGINNING</b>	<b>\$ (86,457)</b>	<b>\$ (164,380)</b>	<b>\$ (250,837)</b>
	-----	-----	-----
<b>RETAINED EARNINGS (DEFICIT), ENDING</b>	<b>\$ (102,919)</b>	<b>\$ (179,334)</b>	<b>\$ (282,253)</b>
	-----	-----	-----

The accompanying notes are an integral part of this statement.

**VILLAGE OF GEORGETOWN, LOUISIANA  
COMBINING STATEMENT OF CASH FLOWS**

**ENTERPRISE FUND  
YEAR ENDED JUNE 30, 1998**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>Cash from Operations:</b>			
Income (Loss) Before Operating Transfers	\$ (17,597)	\$ (27,827)	\$ (45,424)
Operating Transfers	<u>1,135</u>	<u>12,873</u>	<u>14,008</u>
Net Income (Loss)	\$ (16,462)	\$ (14,954)	\$ (31,416)
Adjustments to Net income (Loss):			
Add - Depreciation	16,952	24,364	41,316
Decrease in Accrued Interest	-0-	(51)	(51)
Decrease (Increase) in Accounts Receivable	(946)	(271)	(1,217)
Increase (Decrease) in Accounts Payable	(591)	(463)	(1,054)
	-----	-----	-----
Net Adjustments	\$ 15,415	\$ 23,579	\$ 38,994
	-----	-----	-----
Cash Provided by Operations	\$ (1,047)	\$ 8,625	\$ 7,578
Cash from Customer Deposits	669	-0-	669
Block Grant	187,410	-0-	187,410
	-----	-----	-----
Total Cash Provided	\$ 187,032	\$ 8,625	\$ 195,657
	-----	-----	-----
Cash Was Applied To:			
Fixed Assets	\$ 187,410	\$ -0-	\$ 187,410
Revenue Bonds	-0-	2,000	2,000
Restricted Funds	4,028	7,461	11,489
	-----	-----	-----
Total Cash Applied	\$ 191,438	\$ 9,461	\$ 200,899
	-----	-----	-----
Net Increase (Decrease) in Cash Flow	\$ (4,406)	\$ (836)	\$ (5,242)
Cash Beginning of Year	2,321	216	2,537
	-----	-----	-----
Cash End of Year	\$ (2,085)	\$ (620)	\$ (2,705)
	-----	-----	-----

The accompanying notes are an integral part of this statement.

**VILLAGE OF GEORGETOWN, LOUISIANA  
MANAGEMENT LETTER COMMENTS**

I have audited the financial statements of Village of Georgetown, Louisiana, as of and for the year ended June 30, 1998 and have issued my report thereon dated October 29, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States,

As part of my examination, I have issued my report on the financial statements, dated October 29, 1998, and my report on internal control and compliance with laws, regulations, and contracts, dated October 29, 1998.

During the course of my audit, I observed conditions and circumstances that may be improved. Below are situations that may be improved (if any), recommendations for improvements, and the Village's response.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

1998-1) BOND RESERVE FUNDS (Compliance Finding)

Situation: Although the Village established a sinking fund and a depreciation reserve fund for its sewer revenue bonds, it did not establish a reserve fund.

Recommendation: The Village deposited too much money in its depreciation reserve fund during the year. Some of these funds could be used to establish a reserve fund. The Village's bond agreement requires that each month there will be set aside into a "sewer reserve fund" 5% of the amount paid into the sinking fund or \$15.83.

Village's Response: The Village will begin maintaining a "sewer reserve fund".

1998-2) BUDGETS (Compliance Finding)

Situation: The Village overspent its general fund budget for the fiscal year ended June 30, 1998 by \$26,657 or 24.6% because revenues exceeded budget by \$36,405 or 33.5% and the office did not budget its grant expenditures. The Village's budget was not amended during the year to take in account an increase in revenues and expenditures as required by the local government budget law. This comment was in the prior year's management letter comments.

Recommendation: When revenues fail to meet budgeted revenues or expenditures exceed the budget by 5% or more, the budget should be amended.

Village's Response: The Village will begin amending its budgets when actual expenditures exceed budgeted expenditures by more than 5%.

**VILLAGE OF GEORGETOWN, LOUISIANA  
MANAGEMENT LETTER COMMENTS  
(CONT.)**

1998-3) DEDICATED AD VALOREM TAXES (Compliance Finding)

Situation: Although the Village's auditor segregated and reported debt service activity of its general obligation bonds for the year ended June 30, 1998, the Village has in the past accounted for these activities in the Sewer Fund. This practice prevents the accumulation of a debt service fund balance. This finding has been mentioned in prior year management letter comments.

Recommendation: The Village should deposit ad valorem tax collections dedicated to the debt service of the Village's general obligation bonds into a separate account and pay only principal and interest payments for the Village's general obligation bonds.

Village's Response: The Village will establish a debt service fund.

**VILLAGE OF GEORGETOWN, LOUISIANA  
MANAGEMENT LETTER COMMENTS  
(CONT.)**

SCHEDULE OF PRIOR AUDIT FINDINGS  
AND CORRECTIVE ACTION PLAN  
For the year Ended June 30, 1998

A) PRIOR YEAR MANAGEMENT LETTER COMMENTS

1-1997) DEBT SERVICE FUND (Compliance Finding)

Situation: Although the Village's auditor segregated and reported debt service activity of its general obligation bonds for the year ended June 30, 1998, the Village has in the past accounted for these activities in the Sewer Fund. This practice prevents the accumulation of a debt service fund balance. This finding has been mentioned in prior year management letter comments.

Village's Action: The Village is in the process of establishing a debt service fund. The Village's personnel has had difficulty in determining what portion of the tax is dedicated.

2-1997) BOND COVENANTS (Compliance Finding)

Situation: The Village does not maintain any of its bond reserves as required by its bond covenants.

Village's Action: The Village began maintaining a sinking fund and depreciation reserve. The Village is in the process of establishing a "Bond Reserve Fund".

3-1997) AMENDED BUDGETS (Compliance Finding)

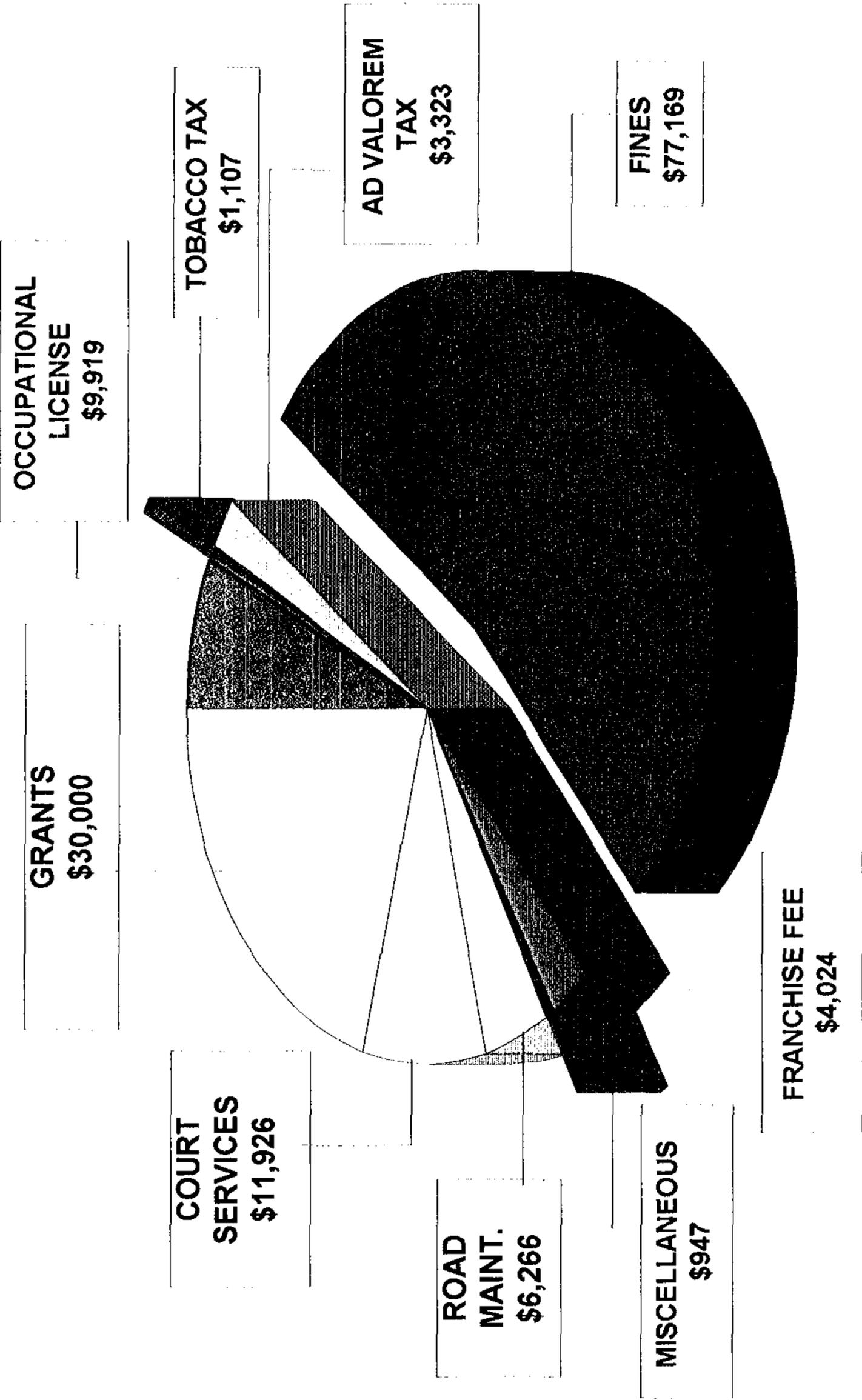
Situation: The Village overspent its June 30, 1997 budget by 18.4% in its general fund. Louisiana Rev. Stat. 39:1310 requires that budgets be amended when actual revenue fails to meet budgeted revenue by 5% or more or when actual expenditures exceed budgeted expenditures by 5% or more. This finding has been mentioned in prior year management letter comments.

Village's Action: The Village did not amend its 1998 budget because revenues and expenditures were in line with the budget. However, the Village did not budget two grants received during the year that were accounted for in the general fund.

## GRAPHS

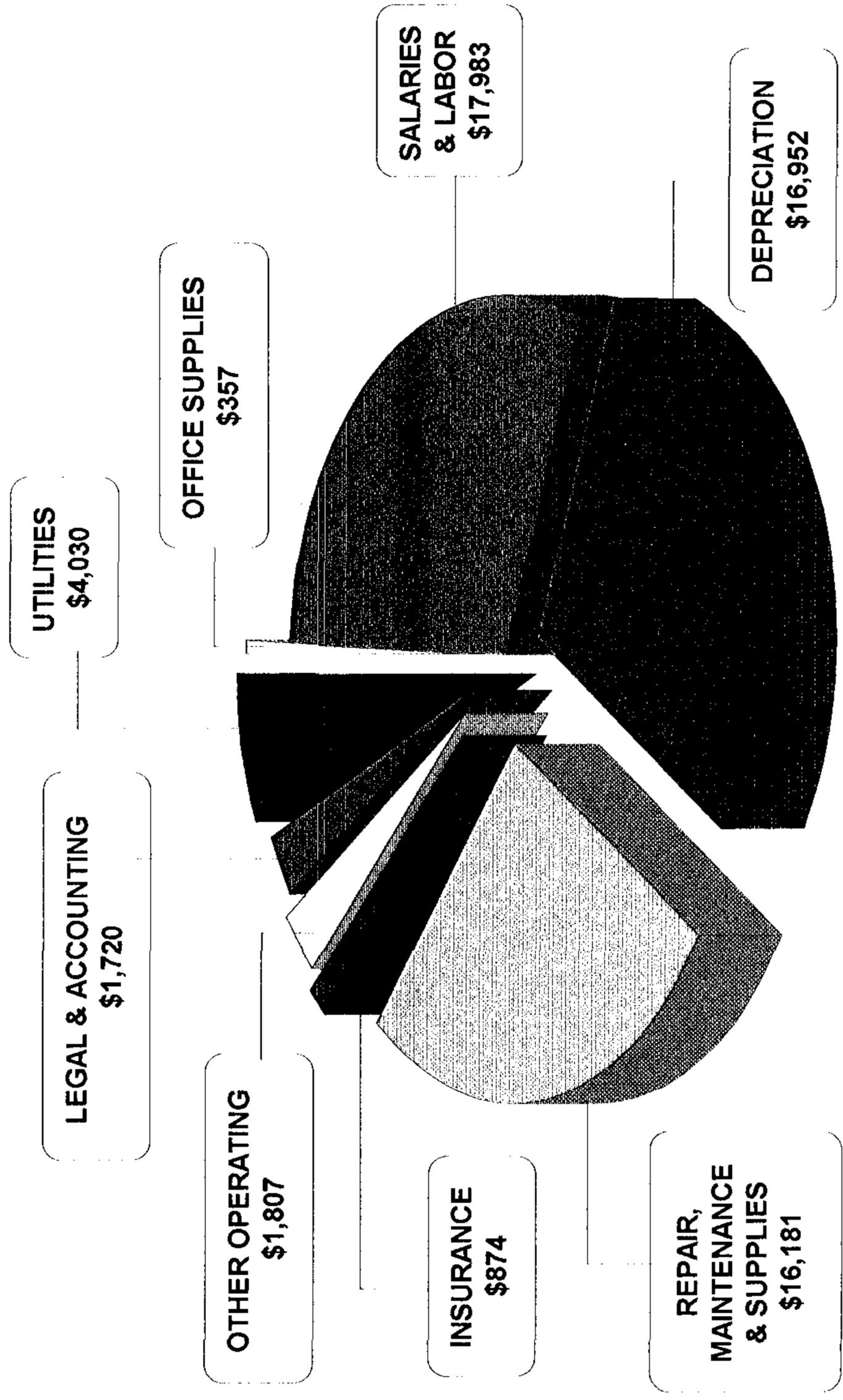
# VILLAGE OF GEORGETOWN

## GENERAL FUND REVENUE JUNE 30, 1998



# VILLAGE OF GEORGETOWN

## WATER FUND EXPENSES JUNE 30, 1998



# VILLAGE OF GEORGETOWN

## SEWER FUND EXPENSES JUNE 30, 1998

