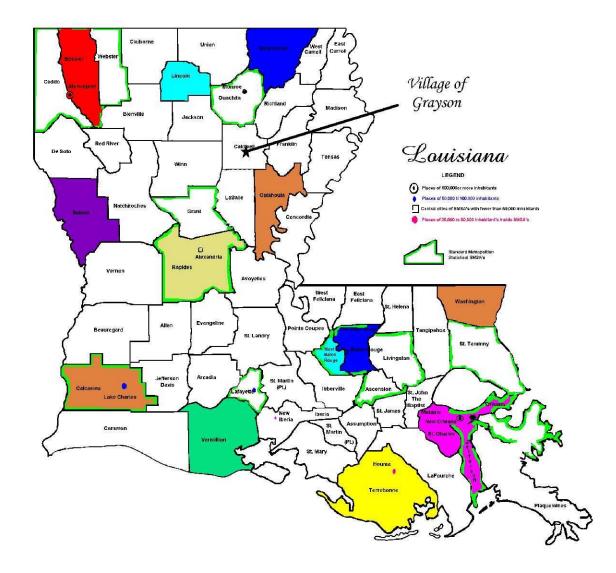
Annual Financial Statements

December 31, 2019

VILLAGE OF GRAYSON GRAYSON, LOUISIANA



The Village of Grayson 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), utilities (water and sewer services) and general administrative functions, including coordination of related services with Parish, State and Federal governing bodies.

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INDEPENDENT AUDITOR'S REPORT

The Honorable Melissa Bratton, Mayor & Members of the Village Council Grayson, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Village of Grayson, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Grayson, Louisiana, as of December 31, 2019, 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.

Emphasis of Matter

As disclosed in the schedules and statements, the total net pension liability for the Village of Grayson's Retirement Plan was \$55,468 as of December 31, 2019. The actuarial valuation was based on various assumptions made by the actuaries. Because actual experience may differ from the assumptions used in the actuarial valuations, there is a risk that the net pension liability at December 31, 2019, could be under or overstated.

Other Matters

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, the schedules of the Village's proportionate share of the net pension liability and the schedules of the Village's contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting 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'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 Grayson's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 is 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 June 29, 2020, on our consideration of the Village of Grayson, State of Louisiana'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 to describe the scope of our testing of internal control over financial control over financial reporting and the results of that testing, and not to provide an opinion on 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 Grayson, Louisiana's internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana June 29, 2020

VILLAGE OF GRAYSON

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Village, we offer readers of the Village of Grayson's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2019. 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 \$789,595 (*net position*). This is a \$56,241 decrease from last year.
- The Village had total revenue of \$274,973 in which \$145,114 came from fines, \$51,669 came from fees & charges, and \$69,197 came from taxes/licenses. This is a \$17,435 decrease from last year's revenues, mainly due to a decrease in capital grants in the amount of \$45,081.
- The Village had total expenditures of \$339,290, which is a \$61,223 increase from last year. The main cause for this increase is due to an increase in police expense in the amount of \$55,288.

Enterprise Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$829,128 (*net position*). This is a \$71,937 decrease from last year.
- The Village had total revenue of \$296,254, including operating revenues of \$295,748, non-operating revenues of \$506 and capital contributions in the amount of \$-0-. This is a \$216,807 decrease from last year, mainly due to a decrease in sales of services in the amount of \$219,283.
- The Village had total expenses of \$300,752, in which \$288,703 was operating expenses and \$12,049 was non-operating expenses. This is a \$305,018 decrease from last year mainly due to a decrease in operating expense in the amount of \$280,514.

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 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.*

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 auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor'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.

GOVERNMENTAL FUNDS

Comparative Statement of Net Position

Comparative Statement of Net Position			
Assets	2018	2019	% Change
Cash & Investments	\$ 248,974 \$	297,895	19.7
Receivables	12,626	19,309	52.9
Capital Assets, Net of Accumulated Depreciation	635,815	617,434	-2.9
Total Assets	897,415	934,638	4.2
Deferred Outflows of Resources	7,725	6,977	-9.7
	1,125	0,917	5.7
Liabilities & Net Position Accounts, Salaries, & Other Payables	19,835	12,005	-39.5
Accrued Interest Payable	-0-	518	100.0
Current Bond & Notes Payable	-0-	16,899	100.0
Total Current Liabilities	19,835	29,422	48.3
		29,422	40.5
Non-Current Liabilities			
Bonds & Notes Payable	-0-	47,496	100.0
Net Pension Liability	29,544	55,468	87.8
Total Non-Current Liabilities	29,544	102,964	108.5
Total Liabilities	49,379	132,386	168,1
Deferred Inflows of Resources	9,925	19,634	97.8
Not Desition			
Net Position Net Investment in Capital Assets	625 915	552 020	12.0
	635,815	553,039	-13.0
Unrestricted	210,021	236,556	12.6
Total Net Position	\$ 845,836 \$	789,595	-6.7
Comparative Changes in Fund Balances			
Revenues	2018	2019	% Change
Revenues Fees & Charges	\$ <u>2018</u> \$ <u>55,747</u> \$	2019 51,669	<u>% Change</u> 7.3
Fees & Charges	\$ 55,747 \$	51,669	7.3
Fees & Charges Taxes/Licenses	\$ <u>55,747</u> 54,934	51,669 69,197	7.3 26.0
Fees & Charges Taxes/Licenses Fines	\$ <u>55,747</u> 54,934 127,747	51,669 69,197 145,114	7.3 26.0 13.6
Fees & Charges Taxes/Licenses Fines Interest Income	\$ <u>55,747</u> 54,934 127,747 4,870	51,669 69,197 145,114 3,959	7.3 26.0 13.6 -18.7
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements	\$ <u>55,747</u> 54,934 127,747 4,870 -0- 46,081	51,669 69,197 145,114 3,959 1,000 1,000	7.3 26.0 13.6 -18.7 100.0
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants	\$ <u>55,747</u> 54,934 127,747 4,870 -0-	51,669 69,197 145,114 3,959 1,000	7.3 26.0 13.6 -18.7 100.0 -97.8
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues	\$ <u>55,747</u> 54,934 127,747 4,870 -0- 46,081 3,029	51,669 69,197 145,114 3,959 1,000 1,000 3,034	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures	\$ <u>55,747</u> 54,934 127,747 4,870 -0- 46,081 <u>3,029</u> <u>292,408</u>	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative	\$ <u>55,747</u> 54,934 127,747 4,870 -0- 46,081 3,029	51,669 69,197 145,114 3,959 1,000 1,000 3,034	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety:	\$ <u>55,747</u> 54,934 127,747 4,870 -0- 46,081 <u>3,029</u> <u>292,408</u> 206,667	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety: Police	\$ <u>55,747</u> 54,934 127,747 4,870 -0- 46,081 <u>3,029</u> <u>292,408</u> 206,667 39,613	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175 94,901	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5 139.6
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety: Police Fire	\$ <u>55,747</u> 54,934 127,747 4,870 -0- 46,081 <u>3,029</u> <u>292,408</u> 206,667 <u>39,613</u> 27,881	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175 94,901 37,794	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5 139.6 35.6
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety: Police Fire Debt Service	\$ 55,747 54,934 127,747 4,870 -0- 46,081 <u>3,029</u> <u>292,408</u> 206,667 39,613 27,881 -0-	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175 94,901 37,794 17,420	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5 139.6 35.6 100.0
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety: Police Fire	\$ <u>55,747</u> 54,934 127,747 4,870 -0- 46,081 <u>3,029</u> <u>292,408</u> 206,667 <u>39,613</u> 27,881	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175 94,901 37,794	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5 139.6 35.6
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety: Police Fire Debt Service Capital Outlay Total Expenditures	\$ 55,747 54,934 127,747 4,870 -0- 46,081 <u>3,029</u> <u>292,408</u> 206,667 <u>39,613</u> 27,881 -0- <u>3,906</u>	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175 94,901 37,794 17,420 	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5 139.6 35.6 100.0 -100.0
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety: Police Fire Debt Service Capital Outlay Total Expenditures Excess (Deficiency) of Revenues Over	\$ <u> <u> </u> </u>	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175 94,901 37,794 17,420 -0- 339,290	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5 139.6 35.6 100.0 -100.0 22.0
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety: Police Fire Debt Service Capital Outlay Total Expenditures	\$ 55,747 54,934 127,747 4,870 -0- 46,081 <u>3,029</u> <u>292,408</u> 206,667 <u>39,613</u> 27,881 -0- <u>3,906</u>	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175 94,901 37,794 17,420 	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5 139.6 35.6 100.0 -100.0
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety: Police Fire Debt Service Capital Outlay Total Expenditures Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u> <u> </u> </u>	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175 94,901 37,794 17,420 -0- 339,290	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5 139.6 35.6 100.0 -100.0 22.0
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety: Police Fire Debt Service Capital Outlay Total Expenditures Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 55,747 54,934 127,747 4,870 -0- 46,081 3,029 292,408 206,667 39,613 27,881 -0- 3,906 278,067 14,341 -0- -0- -0- -0- -0- -0- -0- -0	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175 94,901 37,794 17,420 -0- 339,290	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5 139.6 35.6 100.0 -100.0 22.0
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety: Police Fire Debt Service Capital Outlay Total Expenditures Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ \$ 55,747 \$ \$ 54,934 127,747 4,870 -0- 46,081 3,029 292,408 - 206,667 39,613 27,881 -0- 3,906 - 14,341 -	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175 94,901 37,794 17,420 -0- 339,290 (64,317)	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5 139.6 35.6 100.0 -100.0 22.0 -548.5
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety: Police Fire Debt Sarvice Capital Outlay Total Expenditures Excess (Deficiency) of Revenues Over (Under) Expenditures Other Financing Sources (Uses): Loan Proceeds	\$ 55,747 54,934 127,747 4,870 -0- 46,081 3,029 292,408 206,667 39,613 27,881 -0- 3,906 278,067 14,341 -0- -0- -0- -0- -0- -0- -0- -0	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175 94,901 37,794 17,420 	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5 139.6 35.6 100.0 -100.0 22.0 -548.5
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety: Police Fire Debt Service Capital Outlay Total Expenditures Excess (Deficiency) of Revenues Over (Under) Expenditures Other Financing Sources (Uses): Loan Proceeds Transfers In/(Out) Total Other Financing Sources (Uses)	$ \begin{array}{r} $ \overline{55,747} $ $ \\ 54,934 \\ 127,747 \\ 4,870 \\ -0 \\ 46,081 \\ 3,029 \\ 292,408 \\ 206,667 \\ 39,613 \\ 27,881 \\ -0 \\ 3,906 \\ 278,067 \\ 14,341 \\ -0 \\ 5,424 \\ \end{array} $	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175 94,901 37,794 17,420 -0- 339,290 (64,317) 25,000 88,791	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5 139.6 35.6 100.0 -100.0 22.0 -548.5 100.0 1,537.0
Fees & Charges Taxes/Licenses Fines Interest Income Reimbursements Capital Grants Other General Revenue Total Revenues Expenditures General & Administrative Public Safety: Police Fire Debt Sarvice Capital Outlay Total Expenditures Excess (Deficiency) of Revenues Over (Under) Expenditures Other Financing Sources (Uses): Loan Proceeds Transfers In/(Out)	$ \begin{array}{r} $	51,669 69,197 145,114 3,959 1,000 1,000 3,034 274,973 189,175 94,901 37,794 17,420 -0- 339,290 (64,317) 25,000 88,791 113,791	7.3 26.0 13.6 -18.7 100.0 -97.8 0.1 -6.0 -8.5 139.6 35.6 100.0 -100.0 22.0 -548.5 100.0 1,537.0 1,997.9

ENTERPRISE FUNDS Comparative Statement of Net Position

Comparative Statement of Net 1 Ostion		2018	2019	% Change
Assets	8			
Cash & Investments	\$	23,677 \$	75,860	220.4
Receivables		41,227	25,415	-38.4
Restricted Assets		56,600	-0-	-100.0
Capital Assets, Net of Accumulated Depreciation		1,104,884	1,009,839	-8.6
Total Assets	8	1,226,389	1,111,114	-9.4
Deferred Outflows of Resources		26,208	-0-	-100.0
Liabilities and Net Position				
Accounts, Salaries, & Other Payables		17,578	8,287	-52.9
Accrued Interest Payable		901	1,643	82.4
Current Bonds Payable		16,551	16,551	0.0
Total Current Liabilities		35,030	26,481	-24.4
Non-Current Liabilities				
Customer Deposits		75,506	40,280	-46.7
Bonds Payable		202,706	215,225	6.2
Net Pension Liability		31,562	-0-	-100.0
Total Non-Current Liabilities	10000000000	309,774	255,505	-17.5
Total Liabilities		344,804	281,986	-18.2
Deferred Inflows of Resources		6,728	-0-	-100.0
Net Position				
Net Investment in Capital Assets		885,627	776,420	-12.3
Restricted		56,600	-0-	-100.0
Unrestricted		(41,162)	52,708	228.1
Total Net Position	\$	901,065 \$	829,128	-8.0
Comparative Changes in Net Position				
	_	2018	2019	% Change
Operating Revenues			Terrentinia alla alla	
Operating Revenues Sales of Services	\$	2018 493,428 \$ 9,005	2019 274,145 8,509	% Change -44.5 -5.5
Operating Revenues	\$	493,428 \$	274,145	-44.5
Operating Revenues Sales of Services Late Charges	\$	493,428 \$ 9,005	274,145 8,509	-44.5 -5.5
Operating Revenues Sales of Services Late Charges Safe Drinking Fee	\$	493,428 \$ 9,005 5,371	274,145 8,509 6,240	-44.5 -5.5 16.2
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues	\$	493,428 \$ 9,005 5,371 4,709	274,145 8,509 6,240 6,854	-44.5 -5.5 16.2 -45.6
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues Operating Expenses	\$	493,428 \$ 9,005 5,371 4,709	274,145 8,509 6,240 6,854	-44.5 -5.5 16.2 -45.6
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues	\$	493,428 \$ 9,005 5,371 4,709 512,513	274,145 8,509 6,240 6,854 295,748	-44.5 -5.5 16.2 -45.6 -42.3
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues Operating Expenses Management Fees	\$	493,428 \$ 9,005 5,371 <u>4,709</u> 512,513 82,262	274,145 8,509 6,240 6,854 295,748 60,090	-44.5 -5.5 16.2 -45.6 -42.3 -27.0
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues Operating Expenses Management Fees Operating Expenses	\$	493,428 \$ 9,005 5,371 <u>4,709</u> 512,513 82,262 394,631	274,145 8,509 6,240 6,854 295,748 60,090 114,117	-44.5 -5.5 16.2 -45.6 -42.3 -27.0 -71.1
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues Operating Expenses Management Fees Operating Expenses Depreciation	\$	493,428 \$ 9,005 5,371 4,709 512,513 82,262 394,631 111,819 1	274,145 8,509 6,240 6,854 295,748 60,090 114,117 114,496	-44.5 -5.5 16.2 -45.6 -42.3 -27.0 -71.1 2.4
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Expenses Management Fees Operating Expenses Depreciation Total Operating Expenses Depreciation Total Operating Expenses Operating Income (Loss)	\$	493,428 \$ 9,005 5,371 4,709 512,513 82,262 394,631 111,819 588,712	274,145 8,509 6,240 6,854 295,748 60,090 114,117 114,496 288,703	-44.5 -5.5 16.2 -45.6 -42.3 -27.0 -71.1 2.4 -51.0
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues Operating Expenses Management Fees Operating Expenses Depreciation Total Operating Expenses Operating Income (Loss) Non-Operating Revenues (Expenses)	\$	493,428 \$ 9,005 5,371 4,709 512,513 82,262 394,631 111,819 588,712	274,145 8,509 6,240 6,854 295,748 60,090 114,117 114,496 288,703	-44.5 -5.5 16.2 -45.6 -42.3 -27.0 -71.1 2.4 -51.0
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues Operating Expenses Management Fees Operating Expenses Depreciation Total Operating Expenses Depreciation Total Operating Expenses Operating Income (Loss) Non-Operating Revenues (Expenses) Interest Earnings	\$	493,428 \$ 9,005 5,371 4,709 512,513 \$2,262 394,631 111,819 588,712 (76,199) 548	274,145 8,509 6,240 6,854 295,748 60,090 114,117 114,496 288,703 7,045 506	-44.5 -5.5 16.2 -45.6 -42.3 -27.0 -71.1 2.4 -51.0 109.3 -7.7
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues Operating Expenses Management Fees Operating Expenses Depreciation Total Operating Expenses Operating Income (Loss) Non-Operating Revenues (Expenses)	\$	493,428 \$ 9,005 5,371 4,709 512,513 82,262 394,631 111,819 588,712 (76,199)	274,145 8,509 6,240 6,854 295,748 60,090 114,117 114,496 288,703 7,045	-44.5 -5.5 16.2 -45.6 -42.3 -27.0 -71.1 2.4 -51.0 109.3
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues Operating Expenses Management Fees Operating Expenses Depreciation Total Operating Expenses Depreciation Total Operating Expenses Operating Income (Loss) Non-Operating Revenues (Expenses) Interest Earnings Interest Expense	\$	493,428 \$ 9,005 5,371 4,709 512,513 82,262 394,631 111,819 588,712 (76,199) 548 (17,058)	274,145 8,509 6,240 6,854 295,748 60,090 114,117 114,496 288,703 7,045 506 (12,049)	-44.5 -5.5 16.2 -45.6 -42.3 -27.0 -71.1 2.4 -51.0 109.3 -7.7 -29.4
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues Operating Expenses Management Fees Operating Expenses Depreciation Total Operating Expenses Depreciation Total Operating Revenues Operating Income (Loss) Non-Operating Revenues (Expenses) Interest Earnings Interest Expense Total Non-Operating Revenues (Expenses) Interest Expense Total Non-Operating Revenues (Expenses) Interest Expense Total Non-Operating Revenues (Expenses) Income (Loss) Before Contributions & Transfers	\$	493,428 \$ 9,005 5,371 4,709 512,513 82,262 394,631 111,819 588,712 (76,199) 548 (17,058) (16,510) (92,709) (92,709)	274,145 8,509 6,240 6,854 295,748 60,090 114,117 114,496 288,703 7,045 506 (12,049) (11,543) (4,498)	-44.5 -5.5 16.2 -45.6 -42.3 -27.0 -71.1 2.4 -51.0 109.3 -7.7 -29.4 -30.1 -95.2
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues Operating Expenses Management Fees Operating Expenses Depreciation Total Operating Expenses Depreciation Total Operating Revenues Operating Income (Loss) Non-Operating Revenues (Expenses) Interest Earnings Interest Expense Total Non-Operating Revenues (Expenses) Interest Expense Total Non-Operating Revenues (Expenses) Interest Expense Total Non-Operating Revenues (Expenses) Income (Loss) Before Contributions & Transfers Transfers In/(Out)	\$	493,428 \$ 9,005 5,371 4,709 512,513 82,262 394,631 111,819 588,712 (76,199) 548 (17,058) (16,510) (92,709) -0-	274,145 8,509 6,240 6,854 295,748 60,090 114,117 114,496 288,703 7,045 506 (12,049) (11,543) (4,498) (88,791)	-44.5 -5.5 16.2 -45.6 -42.3 -27.0 -71.1 2.4 -51.0 109.3 -7.7 -29.4 -30.1 -95.2 100.0
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues Operating Expenses Management Fees Operating Expenses Depreciation Total Operating Expenses Depreciation Total Operating Revenues Operating Income (Loss) Non-Operating Revenues (Expenses) Interest Earnings Interest Expense Total Non-Operating Revenues (Expenses) Interest Expense Total Non-Operating Revenues (Expenses) Interest Expense Total Non-Operating Revenues (Expenses) Income (Loss) Before Contributions & Transfers	\$	493,428 \$ 9,005 5,371 4,709 512,513 82,262 394,631 111,819 588,712 (76,199) 548 (17,058) (16,510) (92,709) (92,709)	274,145 8,509 6,240 6,854 295,748 60,090 114,117 114,496 288,703 7,045 506 (12,049) (11,543) (4,498)	-44.5 -5.5 16.2 -45.6 -42.3 -27.0 -71.1 2.4 -51.0 109.3 -7.7 -29.4 -30.1 -95.2
Operating Revenues Sales of Services Late Charges Safe Drinking Fee Other Drinking Revenues Total Operating Revenues Operating Expenses Management Fees Operating Expenses Depreciation Total Operating Expenses Depreciation Total Operating Expenses Operating Income (Loss) Non-Operating Revenues (Expenses) Interest Earnings Interest Expense Total Non-Operating Revenues (Expenses) Interest Expense Total Non-Operating Revenues (Expenses) Interest Expense Total Non-Operating Revenues (Expenses) Income (Loss) Before Contributions & Transfers Transfers In/(Out)	\$	493,428 \$ 9,005 5,371 4,709 512,513 82,262 394,631 111,819 588,712 (76,199) 548 (17,058) (16,510) (92,709) -0-	274,145 8,509 6,240 6,854 295,748 60,090 114,117 114,496 288,703 7,045 506 (12,049) (11,543) (4,498) (88,791)	-44.5 -5.5 16.2 -45.6 -42.3 -27.0 -71.1 2.4 -51.0 109.3 -7.7 -29.4 -30.1 -95.2 100.0

Total Net Position - Beginning Total Net Position - Ending

\$

993,774 901,065 \$ 901,065 829,128 -9.3 -8.0

CAPITAL ASSETS

Capital Assets – Governmental Fund

At December 31, 2019, the Village had \$617,434 invested in capital assets, including land, buildings, improvement, and equipment. This amount is a \$72,081 decrease from last year.

Capital Assets at	Year-En	d	
		2018	2019
General *	\$	753,888 \$	753,888
Police		73,740	73,740
Fire		827,943	827,943
Accumulated Depreciation		(966,056)	(1,038,137)
Total Capital Assets, Net	\$	689,515 \$	617,434

* Land in the amount of \$13,600 is not being depreciated.

Capital Assets – Enterprise Fund

At June 30, 2019, the Village had \$1,009,838 invested in capital assets, including the buildings, sewer system, machinery, and equipment. This amount is a \$95,046 decrease from last year.

Capital Assets at Year-End

	2018	2019
Sewer System	\$ 1,870,455 \$	1,880,350
Water System	1,238,532	1,248,087
Accumulated Depreciation	(2,004,103)	(2,118,599)
Total Capital Assets, Net	\$ 1,104,884 \$	1,009,838

CHANGES IN LONG-TERM DEBT

The following is a summary of bond and installment notes payable transactions of the Village of Grayson for the year ended December 31, 2019.

		Balance				Balance
		12-31-2018		Additions	Reductions	 12-31-2019
Revenue Bonds (Business-Type Activities)	\$	-0-	\$	231,776	\$ -0-	\$ 231,776
USDA Revenue Bonds (Business-Type Activities)		219,256		-0-	(219,256)	-0-
Revenue Bonds (Governmental Activities)		-0-		25,000	-0-	25,000
Capital Lease (Governmental Activities)	_	53,701		-0-	 (14,306)	 39,395
Total	\$_	272,957	\$_	256,776	\$ (233,562)	\$ 296,171

Bonds and installment notes payable at December 31, 2019, are comprised of the following individual issues:

\$212,700 Sewer Revenue Bonds Dated 08/04/1989 through 08/04/2029; due in	
annual installments of \$12,500; interest at 5%.	\$ -0-
\$237,500 Sewer Revenue Bonds dated 08/04/1989 through 08/04/2029 due in annual installments of \$13,958; interest at 5%.	-0-
Government Capital Corp $$264,444$ Sewer Certificate of Indebtness of which $$206,776$ was used to pay-off USDA Sewer Bonds, $$25,000$ was borrowed for sewer system improvements, and $$25,000$ for General Fund Street Improvements. Loans dated October 22, $2019 - 2031$ due in annual installments of $$25,153.43$ (sewer portion); interest at 3.85% .	231,776
Notes and Lease Payable (Governmental Activities)	
Government Capital Corp (General Portion) \$264,443.71 of which \$25,000 was borrowed for General Fund Street Improvements. Loans dated 10/22/2019 due in annual installments of \$2,712.77; due in 10/22/2020-2031; interest rate at 3.85%.	25,000
\$73,740 Capital lease with Bank Corp South Equipment Finance dated 06/14/2017 for two Chevrolet Tahoe police vehicles with an interest rate of 5.5%. Starting 06/19/2017 through 06/19/2022 with monthly installments of \$1,408.51.	
*Note: This lease had been classified as an operating lease in previous years. It has been corrected to a capital lease and booked as a long-term debt and depreciating	
assets.	 39,395
	\$ 296,171

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show that the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Melissa Bratton at the Village Hall, phone number (318) 649-7148.

BASIC FINANCIAL STATEMENTS

VILLAGE OF GRAYSON, LOUISIANA Statement of Net Position December 31, 2019

	PRIMARY GOVERNMENT					
		rnmental tivities		siness-Type Activities		Total
CURRENT ASSETS						
Cash & Cash Equivalents	\$	108,783	\$	47,257	\$	156,040
Investments		189,112		28,603		217,715
Receivables, Net of Allowances		19,309		25,415		44,724
TOTAL CURRENT ASSETS		317,204		101,275		418,479
NON-CURRENT ASSETS						
Restricted Assets		-0-		-0-		-0-
Capital Assets, Net of Accumulated Depreciation		617,434		1,009,839		1,627,273
TOTAL NON-CURRENT ASSETS		617,434		1,009,839		1,627,273
TOTAL ASSETS	-	934,638	_	1,111,114	_	2,045,752
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - Municipal Employees' Pension		6,977		-0-	o 23 000	6,977
TOTAL DEFERRED OUTFLOWS OF RESOURCES		6,977		-0-		6,977
CURRENT LIABILITIES						
Accounts, Salaries, & Other Payables		12,005		8,287		20,292
Accrued Interest Payable		518		1,643		2,161
Current Bonds & Notes Payable		16,899		16,551	n sharan	33,450
TOTAL CURRENT LIABILITIES	100000000000000000000000000000000000000	29,422		26,481	9 19200	55,903
NON-CURRENT LIABILITIES						
Customer Deposits		-0-		40,280		40,280
Bonds & Notes Payable		47,496		215,225		262,721
Net Pension Liabilities		55,468		-0-		55,468
TOTAL NON-CURRENT LIABILITIES		102,964		255,505	6 5 <u>106</u> 8	358,469
TOTAL LIABILITIES		132,386		281,986		414,372
Deferred Inflows of Resources						
Deferred Inflows - Municipal Employees' Pension		19,634		-0-		19,634
TOTAL DEFERRED INFLOWS OF RESOURCES		19,634		-0-	6 (2 00 0)	19,634
NET POSITION						
Net Investment in Capital Assets		553,039		776,420		1,329,459
Restricted		-0-		-0-		-0-
Unrestricted		236,556		52,708		289,264
TOTAL NET POSITION	\$	789,595	\$	829,128	\$	1,618,723

789,595 \$ 829,128 \$ 1,618,723

\$

VILLAGE OF GRAYSON, LOUISIANA Statement of Activities For the Year Ended December 31, 2019

					Program Reven	UES					Net (Expensi Cha			
		Expenses		Charges For Services	 Capital Grants & Contributions	010	Operating Grants & Contributions		Net (Expense) Revenue	-	Governmental Activities	Business- Type Activities		Total
GOVERNMENTAL ACTIVITIES	2					-				-		-	_	
General Government	\$	(204,937)	\$	-0-	\$ 1,000	\$	-0-	\$	(203, 937)	\$	(203,937)		\$	(203, 937)
Police		(124,398)		-0-	-0-		-0-		(124,398)		(124,398)			(124,398)
Fire		(67,780)		51,669	-0-		-0-		(16, 111)		(16,111)			(16,111)
Interest on Long-Term Debt		(3,114)		-0-	-0-		-0-		(3,114)		(3,114)			(3,114)
TOTAL GOVERNMENTAL ACTIVITIES		(400,229)		51,669	1,000		-0-		(347,560)		(347,560)			(347,560)
BUSINESS-TYPE ACTIVITIES														
Sewer		(125, 509)		125,083	-0-		-0-		(426)			\$ (426)		(426)
Water		(163,194)		170,665	-0-		-0-		7,471			7,471		7,471
Interest on Long-Term Debt		(12,049)		-0-	-0-		-0-		(12,049)			(12,049)		(12,049)
TOTAL BUSINESS-TYPE ACTIVITIES		(300,752)	-	295,748	-0-		-0-		(5,004)			(5,004)		(5,004)
TOTAL PRIMARY GOVERNMENT	\$	(700,981)	\$_	347,417	\$ 1,000	\$	-0-	\$	(352,564)				22	(352,564)
					GENERAL REVE	NUES	s:							
					Taxes:									
					Franchise Tax						10,777	-0-		10,777
					Ad Valorem T	ax					11,367	-0-		11,367
					2% Fire Tax						11,526	-0-		11,526
					Fines & Penaltie						145,114	-0-		145,114
					Licenses & Perr						35,527	-0-		35,527
					Reimbursement						1,000	-0-		1,000
					Investment Earr Other General R						3,959	506		4,465
											4,706	-0-		4,706
					TRANSFERS IN/(88,791	(88,791)		-0-
					I OTAL GENERA	LKE	EVENUES & TRANS	SFEF	R S		312,767	(88,285)		224,482
					Change in Net	Pos	SITION				(34,793)	(93,289)		(128,082)
					Prior Period	A dju	STMENT				(21,448)	21,352		(96)
					NET POSITION-	Begi	NNING				845,836	901,065	-	1,746,901

The accompanying notes are an integral part of this statement.

NET POSITION-ENDING

VILLAGE OF GRAYSON, LOUISIANA Balance Sheet, Governmental Funds December 31, 2019

	GENERA		
		FUND	
ASSETS			
Cash & Cash Equivalents	\$	108,783	
Investments		189,112	
Receivables (Net of Allowances for Uncollectible)		19,309	
TOTAL ASSETS		317,204	
LIABILITIES & FUND BALANCE LIABILITIES Accounts, Salaries, & Other Payables		12,005	
Total Liabilities	<u></u>	12,005	
FUND BALANCE Unassigned TOTAL FUND BALANCE		<u>305,199</u> <u>305,199</u>	
TOTAL LIABILITIES & FUND BALANCE	\$	317,204	

VILLAGE OF GRAYSON, LOUISIANA Reconciliation of the Government Funds Balance Sheet to the Government-Wide Financial Statement of Net Position December 31, 2019

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

Fund Balance, Total Governmental Funds (Statement C)		\$	305,199
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	Capital Assets Accum. Depr.	1,655,571 (1,038,137)	617,434
Deferred outflows and inflows are not financial resources or currently payable.	Outflows Inflows	6,977 (19,634)	(12,657)
Long-term liabilities including bonds payable and accrued interest are not due and payable in the current period and, therefore, are not reported in the governmental funds.	Bonds/Notes Pay. Accrued Interest	(64,395) (518)	(64,913)
Long-term net pension liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		(55,468)	(55,468)
Net Position of Governmental Activities (Statement A)		\$	789,595

VILLAGE OF GRAYSON, LOUISIANA Statement of Revenues, Expenditures & Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2019

		General Fund
Revenues	. ,	inter i sent d'accellent
Fees & Charges	\$	51,669
Taxes		33,670
Licenses & Permits		35,527
Fines		145,114
Interest Income		3,959
Reimbursements		1,000
Capital Grants		1,000
Other General Revenue		3,034
TOTAL REVENUES		274,973
	3.73	
Expenditures		
General & Administrative		189,175
Public Safety:		
Police		94,901
Fire		37,794
Debt Service		17,420
Capital Outlay		-0-
TOTAL EXPENDITURES		339,290
EXCESS (DEFICIENCY) OF REVENUES OVER		
(UNDER) EXPENDITURES		(64,317)
OTHER FINANCING SOURCES (USES):		
Loan Proceeds		25,000
Transfers In/(Out)		88,791
TOTAL OTHER FINANCING SOURCES (USES)		113,791
NET CHANGE IN FUND BALANCE		49,474
PRIOR PERIOD ADJUSTMENT		43,504
FUND BALANCESBEGINNING		212,221
FUND BALANCESENDING	\$	305,199

Statement F

VILLAGE OF GRAYSON, LOUISIANA Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances of Governmental Funds To the Statement of Activities For the Year Ended December 31, 2019

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

Net Change in Fund Balances, Total governmental Funds, Statement E		\$	49,474
Governmental funds report capital outlays as expenditure. 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 Depreciation Exp	-0- (72,081)	(72,081)
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 Principal Paid	(25,000) 14,306	(10,694)
Net pension is reported in governmental funds as expenditure as they are paid; however, in the statement of activities the net pension expense is reported according to estimates required by GASB 68. This the amount that the pension estimate defers from pension expenses paid in the	Net Pension Expense	(3,163)	(10,094)
current year.	Pension Revenue	1,671	(1.402)
Changes in Net Position of Governmental Activities, Statement B		\$	(1,492) (34,793)

VILLAGE OF GRAYSON, LOUISIANA Statement of Net Position, Proprietary Funds December 31, 2019

	» 	1	Ent	S-TYPE ACTI ERPRISE FUN ENTERPRISE	DS	
		SEWER		WATER		
		FUND		FUND	-	TOTAL
CURRENT ASSETS					~	
Cash & Cash Equivalents	\$	39,720	\$	7,537	\$	47,257
Investments		28,603		-0-		28,603
Receivables (Net of Allowances for Uncollectible)		9,498		15,917	-	25,415
TOTAL CURRENT ASSETS		77,821		23,454		101,275
NON-CURRENT ASSETS						
Restricted Assets		-0-		-0-		-0-
Capital Assets (Net of Accumulated Depreciation)		483,794		526,045		1,009,839
TOTAL NON-CURRENT ASSETS		483,794		526,045		1,009,839
			1 1100		18 0000	
TOTAL ASSETS		561,615		549,499	-	1,111,114
CURRENT LIABILITIES						
Accounts, Salaries, & Other Payables		2,286		6,001		8,287
Accrued Interest Payable		1,643		-0-		1,643
Revenue Bonds Payable		16,551		-0-		16,551
TOTAL CURRENT LIABILITIES		20,480		6,001		26,481
TOTAL CURRENT LIADILITIES		20,400		0,001		20,401
NON-CURRENT LIABILITIES						
Customer Deposits		-0-		40,280		40,280
Revenue Bonds		215,225		-0-		215,225
TOTAL NON-CURRENT LIABILITIES		215,225		40,280	e	255,505
TOTAL LIABILITIES		235,705		46,281		281,986
NET DOSITION						
NET POSITION		250 275		526 045		776 420
Net Investment in Capital Assets Restricted		250,375 -0-		526,045 -0-		776,420 -0-
Unrestricted		-0- 75,535		-0- (22,827)		-0- 52,708
TOTAL NET POSITION	¢	325,910	\$		°	
I UTAL INET FUSITION	\$	323,910	. »_	503,218	_ه.	829,128

VILLAGE OF GRAYSON, LOUISIANA Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds December 31, 2019

	_		PE ACTIVITIES-EN JOR ENTERPRISE]	
		SEWER	WATER	
	8	FUND	FUND	TOTAL
OPERATING REVENUES				
Sales of Services	\$	122,878 \$	151,267 \$	274,145
Late Charges		-0-	8,509	8,509
Safe Drinking Fee		-0-	6,240	6,240
Other Operating Revenues	200	2,205	4,649	6,854
TOTAL OPERATING REVENUES		125,083	170,665	295,748
OPERATING EXPENSES				
Management Fees		30,045	30,045	60,090
Operating Expenses		26,545	87,572	114,117
Depreciation		68,919	45,577	114,496
TOTAL OPERATING EXPENSES		125,509	163,194	288,703
OPERATING INCOME (LOSS)		(426)	7,471	7,045
NON-OPERATING REVENUES (EXPENSES)				
Interest Earnings		501	5	506
Interest Expense		(12,049)	-0-	(12,049)
TOTAL NON-OPERATING REVENUES (EXPENSES)		(11,548)	5	(11,543)
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS		(11,974)	7,476	(4,498)
CONTRIBUTIONS & TRANSFERS				
Transfers In/(Out)		(59,460)	(29,331)	(88,791)
Capital Contributions		-0-	-0-	-0-
TOTAL CONTRIBUTIONS & TRANSFERS		(59,460)	(29,331)	(88,791)
CHANGE IN NET POSITION		(71,434)	(21,855)	(93,289)
PRIOR PERIOD ADJUSTMENT		(12,662)	34,014	21,352
TOTAL NET POSITION – BEGINNING		410,006	491,059	901,065
TOTAL NET POSITION – ENDING	\$	325,910 \$	503,218 \$	829,128

VILLAGE OF GRAYSON, LOUISIANA Statement of Cash Flows Proprietary Funds December 31, 2019

			E ACTIVITIES-EI OR ENTERPRISE	
	3	SEWER	WATER	
CASH FLOWS FROM OPERATING ACTIVITIES	8	FUND	FUND	TOTAL
Receipts from Customers & Users	\$	125,290 \$	160,310 \$	285,600
Payments to Suppliers		(59,209)	(122,617)	(181,826)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		66,081	37,693	103,774
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) Other Funds		(59,460)	(29,331)	(88,791)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES		(59,460)	(29,331)	(88,791)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES				
Receipts from Capital Grants		-0-	-0-	-0-
Interest Paid on Capital Debt		(13, 977)	-0-	(13,977)
Principal Paid on Revenue Bonds		(219,256)	-0-	(219,256)
Proceeds from Bonds		231,776	-0-	231,776
Acquisition & Construction of Capital Assets		(9,895)	(9,555)	(19,450)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES		(11,352)	(9,555)	(20,907)
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) Decrease in Investments		(27,603)	-0-	(27,603)
Interest & Dividends Received		501		506
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		(27,102)	<u> </u>	(27,097)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS		(31,833)	(1,188)	(33,021)
CASH - BEGINNING OF YEAR		71,553	8,725	80,278
CASH - END OF YEAR	=	39,720	7,537	47,257
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
OPERATING INCOME/(LOSS)	22	(426)	7,471	7,045
Depreciation Expense		68,919	45,577	114,496
(Increase) Decrease in Accounts Receivable		207	(4,035)	(3,828)
(Increase) Decrease in Deferred Outflows		21,028	5,180	26,208
Increase (Decrease) in Accounts Payables		(2,971)	(6,320)	(9,291)
Increase (Decrease) in Customer Deposits		-0-	6,692	6,692
Increase (Decrease) in Accrued Interest		1,643	(901)	742
Increase (Decrease) in Deferred Inflows		(603)	(6,125)	(6,728)
Increase (Decrease) in Pension Liability		(21,716)	(9,846)	(31,562)
TOTAL ADJUSTMENTS	1999) 1997)	66,507	30,222	96,729
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$	66,081 \$	37,693 \$	103,774

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Grayson 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), utilities (water 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 Grayson 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 meeting 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.

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

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 funds:

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 funds:

• Water and Sewer Fund

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.

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

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:

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

<u>Restricted Net Position</u> - 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.

<u>Unrestricted Net Position</u> - 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;
- 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

D. CASH & 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.

		Caldwell Bank	Citizen's Bank		Homeland Bank		Total
Bank Balances	\$	31,574	\$ 168,605	\$	189,112	\$ _	389,291
Secured As Follows			W			3	
FDIC (Category 1)		31,574	168,605		189,112		389,291
Securities (Category 2)		-0-	15,243		-0-		15,243
Uncollateralized (Category 3)	5	-0-	-0-	6 N	-0-	1892.0	-0-
Total	\$	31,574	\$ 183,848	\$	189,112	\$ _	404,534

Deposits were fully secured as of December 31, 2019.

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.

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

E. ACCOUNTS RECEIVABLE & BAD DEBTS – GENERAL FUND & ALLOWANCE FOR BAD DEBTS – ENTERPRISE FUND

At December 31, 2019 the receivables were as follows:

	Enterprise Fund		nd	Gov	ernmental Fund
	Sewer Fund		Water Fund		General Fund
Tax & License	\$ -0-	\$	-0-	\$	12,724
Customer	9,973		16,624		6,585
Grants	-0-		-0-		-0-
Allowance for Bad Debts	(475)		(707)		-0-
Total	\$ 9,498	\$	15,917	\$	19,309

F. INVENTORIES

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

G. FIXED ASSETS & LONG-TERM LIABILITIES

For the year ended December 31, 2019, no interest costs were capitalized for construction of fixed 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:

	Life In Years
Water System	40
Sewer System	40
Buildings	40
Equipment	5-10

The Village has a capitalization policy of \$2,500.

H. COMPENSATED ABSENCES

The Village has no compensated absence policy.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

I. RESTRICTED NET POSITION

The Village records restricted assets to indicate that a portion of its net position balances are legally restricted for a specific future use. The following is a list of such restrictions and a description of each:

Restricted for System Maintenance

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

Restricted - Revenue Bonds

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

Restricted for Debt Service

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

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 LaSalle 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 1	Fax 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, 2019, taxes of 5.73 mills were levied against property having a valuation of some \$1,954,629, which produced some \$11,200 in revenue.

Ad Valorem Taxes are broken down as follows:

	IVIIIIS
General Alimony	5.73

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NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

3. RESTRICTED ASSETS - PROPRIETARY FUND TYPES

At December 31, 2019, restricted assets of the Enterprise Funds were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

	1	Water	S	Sewer
Bond Sinking/Reserve	\$	-0-	\$	-0-
Meter Deposit		-0-		-0-
Depreciation & Contingencies		-0-		-0-
Total	\$	-0-	\$	-0-

4. FIXED ASSETS

Governmental Fund:

A summary of governmental fund assets at December 31, 2019, is as follows:

		Balance 12-31-2018	Additions		Deletions		Balance 12-31-2019
General/Administrative *	\$	753,888	\$ -0-	\$	-0-	\$	753,888
Police		73,740	-0-		-0-		73,740
Fire		827,943	-0-		-0-		827,943
Total Capital Assets		1,655,571	-0-	5 5 50	-0-	5 61 2 19	1,655,571
Accumulated Depreciation		(966,056)	 (72,081)		-0-		(1,038,137)
Total Capital Assets, Net	\$_	689,515	\$ (72,081)	\$	-0-	\$_	617,434

* Land in the amount of \$13,600 is not being depreciated.

Property Enterprise Fund:

A summary of enterprise fund property, plant and equipment at December 31, 2019, is as follows:

	Balance 12-31-2018	Additions		Deletions		Balance 12-31-2019
Sewer System	\$ 1,870,455	\$ 9,895	\$	-0-	\$	1,880,350
Accumulated Depreciation	(1,327,637)	(68,919)		-0-		(1,396,556)
Total Capital Assets, Net	\$ 542,818	\$ (59,024)	\$_	-0-	\$_	483,794
	Balance					Balance
	Balance 12-31-2018	Additions		Deletions		Balance 12-31-2019
Water System*	\$	\$ Additions 9,555	\$	Deletions -0-	\$	
Water System* Accumulated Depreciation	\$ 12-31-2018	\$	\$		\$	12-31-2019

* Land in the amount of \$10,000 is not being depreciated.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

5. CHANGES IN LONG-TERM DEBT

The following is a summary of bond and installment notes payable transactions of the Village of Grayson for the year ended December 31, 2019.

		Balance 12-31-2018		Additions	Reductions		Balance 12-31-2019
Certificate of Indebtness (Business-Type Activities)	\$	-0-	\$	231,776	\$ -0-	\$	231,776
USDA Revenue Bonds (Business-Type Activities)		219,256		-0-	(219,256)		-0-
Certificate of Indebtness (Governmental Activities)		-0-		25,000	-0-		25,000
Capital Lease (Governmental Activities)	127	53,701	- 62	-0-	 (14,306)	22	39,395
Total	\$_	272,957	\$	256,776	\$ (233,562)	\$	296,171

Bonds and installment notes payable at December 31, 2019, are comprised of the following individual issues:

Revenue Bonds and Notes Payable (Enterprise Fund)

\$212,700 Sewer Revenue Bonds Dated 08/04/1989 through 08/04/2029; due in annual installments of \$12,500; interest at 5%.	\$ -0-
\$237,500 Sewer Revenue Bonds dated 08/04/1989 through 08/04/2029 due in annual installments of \$13,958; interest at 5%.	-0-
Government Capital Corp $$264,444$ Sewer Certificate of Indebtness of which $$206,776$ was used to pay-off USDA Sewer Bonds, $$25,000$ was borrowed for sewer system improvements, and $$25,000$ for General Fund Street Improvements. Loans dated October 22, $2019 - 2031$ due in annual installments of $$25,153.43$ (sewer portion); interest at 3.85% .	231,776
Notes & Lease Payable (Governmental Activities)	
Government Capital Corp (General Portion) \$264,443.71 of which \$25,000 was borrowed for General Fund Street Improvements. Loan dated 10/22/2019 due in annual installments of \$2,712.77; due in 10/22/2020-2031; interest rate at 3.85%.	25,000
\$73,740 Capital lease with Bank Corp South Equipment Finance dated 06/14/2017 for two Chevrolet Tahoe police vehicles with an interest rate of 5.5%. Starting 06/19/2017 through 06/19/2022 with monthly installments of \$1,408.51.	
*Note: This lease had been classified as an operating lease in previous years. It has been corrected to a capital lease and booked as a long-term and depreciating asset.	39,395
Total	\$ 296,171

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

The annual requirements to amortize all debt outstanding as of December 31, 2019, including interest payments, are as follows:

Year Ending	\$231,776 Sewer Certificate of	\$25,000 General Certificate of	\$256,776 Certificate of Indebtness	\$73,740 Police Capital
December 31,	 Indebtness	 Indebtness	 Total	 Lease
2020	\$ 25,153	\$ 2,713	\$ 27,866	\$ 16,902
2021	25,153	2,713	27,866	16,902
2022	25,153	2,713	27,866	8,451
2023	25,153	2,713	27,866	-0-
2024	25,153	2,713	27,866	-0-
2025-2029	125,765	13,565	139,330	-0-
2030-2034	50,306	5,426	55,732	-0-
2035-2037	-0-	-0-	-0-	-0-
	\$ 301,836	\$ 32,556	\$ 334,392	\$ 42,255

6. PENSION PLAN

Substantially all employees of the Village of Grayson are members of the following statewide retirement system: Municipal Employees Retirement System of Louisiana. This system e cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustee. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

The Municipal Employees' Retirement System prepares its employer schedules in accordance with the Governmental Accounting Statement No. 68 – Accounting and Financial Reporting for Pensions. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred outflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Municipal Employees' Retirement System's employer schedules are prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

B. Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses, were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimated and assumptions primarily related to actuarial valuations or unsettled transactions and events as of the date of the financial statements and estimates in the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

C. System Employees

The System is not allocated a proportionate share of the net liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

D. Use of Estimates

The preparation of schedules of employer allocations and pension amounts by employer in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from these estimates.

NOTE 2 – PLAN DESCRIPTION

The System is administered by a Board of Trustees composed of eleven members, three of whom shall be active and contributing members of the System with at least ten years credible service and who are elected to office in accordance with the Louisiana Election Code, three of whom shall be active and contributing members of the System with at least ten years credible service and who are not elected officials; one of whom shall be president of the Louisiana Municipal Association who shall serve as an ex-officio member during his tenure; one of whom shall be the Chairman of the Senate Retirement Committee; and one of whom shall be the Chairman of the House Retirement Committee of the Legislature of Louisiana; the commissioner of administration, who shall be a nonvoting member; and the State Treasurer, who shall be a nonvoting member.

The System is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS).

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Plan Membership

For the year ended June 30, 2019, there were 87 contributing municipalities in Plan A and 69 in Plan B. At June 30, 2019, statewide retirement membership consists of the following:

-	Plan A	Plan B	Total
Inactive plan members or beneficiaries receiving benefit	3,552	1,076	4,628
Inactive plan members entitled to but not yet receiving benefits	3,390	1,653	5,043
Active plan members	4,795	2,063	6,858
Total participants as of the valuation date	11,737	4,792	16,529

Plan eligibility and benefits are as follows:

A. Eligibility Requirements

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Any person eligible for membership whose first employment making him eligible for membership in the System occurred on or after January 1, 2013, shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 of the System as a condition of employment.

B. Retirement Benefits

Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756 - 11:1785. The following brief description of the plan and its benefits is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Any member of Plan A who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with twenty-five or more years of creditable service.

2. Age 60 with a minimum of ten years of creditable service.

3. Any age with 20 years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarial reduces early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. An additional regular retirement benefit can be received for any city marshal or deputy city marshal.

Any member of Plan A Tier 2 can retire providing he meets one of the following requirements:

- 1. Age 67 with seven years of creditable service.
- 2. Age 62 with ten years of creditable service.
- 3. Age 55 with thirty years of creditable service.

4. Any age with twenty-five years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

Generally, the monthly amount of retirement allowance for any member of Plan A Tier 2 shall consist of an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Any city marshal or deputy city marshal shall receive an additional regular benefit computed on supplemental marshal's earnings. See Plan booklet for further details.

Any member of Plan B who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

- 1. Any age with thirty years of creditable service.
- 2. Age 60 with minimum of ten or more years of creditable service.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Any member of Plan B Tier 2 shall be eligible for retirement if he meets one of the following requirements:

- 1. Age 67 with seven years of creditable service.
- 2. Age 62 with ten years of creditable service.
- 3. Age 55 with thirty years of creditable service.
- 4. Any age with twenty-five years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

C. Survivor Benefits

Upon death of any member of Plan A with five or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Any member of Plan A who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Upon death of any member of Plan B with five or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

D. Drop Benefits

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or Plan B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during the participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active service contributing membership in the System.

E. Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State of Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service, whichever is greater, or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, in which he would receive a regular retirement benefit under retirement provisions. A member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of thirty percent of his final average compensation or two percent of his final average compensation multiplied by his years of creditable service, whichever is greater, or an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service, multiplied by his years of creditable service, whichever is greater, or an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service, whichever is greater, or an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service, whichever is greater, or an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service, whichever is greater, or an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service, whichever is greater, or an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service, whichever is greater, or an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service, projected to his earliest normal retirement age.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

F. Cost of Living Increases

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

G. Deferred Benefits

Both Plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

NOTE 3 – CONTRIBUTIONS

Contributions for all members are established by statute. Member contributions are at 9.50% of earnable compensation for Plan A and 5.00% of earnable compensation for Plan B. The contributions are deducted from the member's salary and remitted by the participating municipality.

According to state statute, contributions for all employers are actuarially determined each year. For the year ended June 30, 2019, the employer contribution rate was 26.00% of member's earnings for Plan A. For the year ended June 30, 2019, the employer contribution rate was 14.00% of member's earnings for Plan B.

According to state statute, the System also receives one-fourth of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from East Baton Rouge Parish are appointed between the Municipal Employee's Retirement System and the Employee's Retirement System of the City of Baton Rouge. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contribution entities.

Administrative costs of the System are financed through employer contributions.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 – SCHEDULE OF EMPLOYER ALLOCATIONS

The schedule of employer allocations reports the employer contributions in addition to the employer allocation percentage. The employer contributions are used to determine the proportionate relationship of each employer to all employers of Municipal Employees' Retirement System of Louisiana. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's contribution effort to the plan for the current fiscal year as compared to the total of all employers' contribution effort was based on actual employer contributions made to the Retirement System for the fiscal year ended June 30, 2019.

NOTE 5 – SCHEUDLE OF PENSION AMOUNTS BY EMPLOYER

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability, the various categories of deferred outflows of resources, the various categories of deferred inflows of resources, and the various categories of pension expenses. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocations.

NOTE 6 – DISAGGREGATED PENSION AMOUNTS

Changes in Deferred Inflows and Outflows	Amounts from the 2019 Employer Pension Report		<u>2019 Employer</u> <u>Specific</u> Amounts	<u>2019 Total</u> <u>Pension</u> Amounts
Net Pension Liability	\$ 55,468	S	-	\$ 55,468
Deferred Outflows	9,222		(2,245)	6,977
Deferred Inflows	19,634		-	19,634
Benefit Pension Expense	(1,366)		4,529	3,163
Revenue	\$ 1,672	S	-	\$ 1,672

NOTE 7 – ACTUARIAL METHODS AND ASSUMPTIONS

Net Pension Liability

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

The components of the net pension liability of the System's employers for Plan A as of June 30, 2019 are as follows:

	Plan A June 30, 2019
Total pension liability	\$ 1,182,925,835
Plan fiduciary net position	765,059,686
Employer's net pension liability	\$ 417,866,149
Plan fiduciary net position as a % of the total pension liability	64.68%

The components of the net pension liability of the System's employers for Plan B as of June 30, 2019 are as follows:

	Plan B June 30, 2019
Total pension liability	\$ 258,352,439
Plan fiduciary net position	170,871,104
Employer's net pension liability	\$ 87,481,335
Plan fiduciary net position as a % of the total pension liability	66.14%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future.

The actuarial assumptions used in the June 30, 2019 valuation was based on the results of an experience study for the period from July 1, 2013 through June 30, 2018.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Information on the actuarial valuation and assumptions is as follows:

	<u>June 30, 2019</u>
Valuation Date	June 30, 2019
Actuarial cost method	Entry age normal cost
Expected remaining service lives	3 years
	7.0%, net of pension plan investment
Investment rate of return	expense, including inflation
Inflation rate	2.5%
Salary increases, including	
inflation and merit increases:	
-1 to 4 years of service	6.4%-Plan A and 7.4%-Plan B
-More than 4 years of service	4.5%-Plan A and 4.9%-Plan B
Annuitant and	PubG-2010(B) Heathy Retiree Table set
beneficiary mortality	equal to 120% for males and females, each
	adjusted using their respective male and
	female MP2018 scales.
Employee mortality	PubG-2010(b) Employee Table set equal to
	120% for males and females, each adjusted
	using their respective male and female
	MP2018 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set
	equal to 120% for males and females with
	the full generational MP2018 scale.
	and rain ponorational and 2010 board.

Discount Rate

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

Asset Class	Target Asset <u>Allocation</u>	Long-Term Expected Portfolio <u>Real Rate of Return</u>
Public equity	50%	2.15%
Public fixed income	35%	1.51%
Alternatives	<u>15%</u>	0.64%
Totals	<u>100%</u>	<u>4.30%</u>
Inflation		2.70%
Expected Arithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 7.00% for the years ended June 30, 2019. The projection of cash flows used to determine the discount assumed that contributions from plan members will be at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statues and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 8 – SENSITIVITY TO CHANGES IN DISCOUNT RATE

The following presents the net pension liability of the System calculated using the discount rate of 7.0%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current discount rate (assuming all other assumptions remain unchanged):

Changes in discount for years ending June 30, 2019 for Plan A are as follows:

			Plan A	
	_	1% Decrease <u>(6.0%)</u>	Current Discount Rate <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
Net pension liability	\$	544,822,719	\$ 417,866,149	\$ 310,528,354

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Changes in discount for years ending June 30, 2019 for Plan B are as follows:

			Plan B	
	_	1% Decrease <u>(6.0%)</u>	Current Discount Rate <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
Net pension liability	\$	116,590,094	\$ 87,481,335	\$ 62,863,172

NOTE 9 – CHANGE IN NET PENSION LIABILITY

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a with the current period.

The changes in the net pension liability for the year ended June 30, 2019 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience

The differences between expected and actual experience for Plan A and Plan B resulted in deferred inflows of resources and pension expense (benefit) as of June 30, 2019 are as follows:

			Plan A				
					Jun	e 30,	2019
	Deferred	Deferred	Pension Expense	-	Deferred		Deferred
	Outflows	Inflows	(Benefit)		Outflows		Inflows
2019	\$ -0-	\$ 7,352,601	\$ (2,450,864)	\$	-0-	\$	4,901,737
2018	-0-	10,587,580	(5,293,790)		-0-		5,293,790
2017	-0-	4,134,368	(4,134,368)		-0-		-0-
				\$	-0-	\$	10,195,527

NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)

			Plan B				
					June	30,	2019
	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	-	Deferred Outflows		Deferred Inflows
2019	\$ -0-	\$ 2,963,047	\$ (987,682)	\$	-0-	\$	1,975,365
2018	-0-	2.861.773	(1,430,894)		-0-		1,430,879
2017	-0-	947,848	(473,925)		-0-		473,923
2016	226,615	-0-	226,615		-0-		-0-
				\$	-0-	\$	3,880,167

The difference between projected and actual investment earnings results in net deferred outflows for Plan A and Plan B as of June 30, 2019 as follows:

	 		 Plan A		June	30	2019
	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	-	Deferred Outflows		Deferred Inflows
2019	\$ 17,395,262	\$ -0-	\$ 3,479,052	\$	13,916,210	\$	-0
2018	7,253,726	-0-	1,813,435		5,440,291		-0
2017	11,349,545	-0-	3,783,181		7,566,364		-(
016	29,040,960	-0-	14,520,480		14,520,480		-(
015	15,809,046	-0-	15,809,046		-0-		-(
				\$	41,443,345	\$	(

				Plan B				
						June	30,	2019
	Deferred Outflows		Deferred Inflows	Pension Expense (Benefit)		Deferred Outflows		Deferred Inflows
2019	\$ 4,002,113	`	-0-	\$ 800,423	- \$	3,201,690	\$	-0-
2018	1,705,880		-0-	426,473		1,279,407		-0-
2017	2,460,228		-0-	820,076		1,640,152		-0-
2016	6,185,380		-0-	3,092,693		3,092,687		-0-
2015	3,396,124		-0-	3,396,124		-0-		-0-
					\$	9,213,936	\$	-0-

Changes in Assumptions or Other Inputs

The changes in assumptions for Plan A and Plan B resulted in deferred outflows of resources and pension expense as of June 30, 2019 as follows:

			Plan A			
				June 3	0, 20)19
	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows		Deferred Inflows
2019	\$ 9,114,476	\$ -0-	\$ 3.038.169	\$ 6,076,307	Ś	-0-
2018	8,967,203	-0-	4,483,602	4,483,601		-0-
2017	3,497,550	-0-	3,497,550	-0-		-0-
				\$ 10,559,908	\$_	-0-

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

			Plan B			
				 June 3	0, 20	19
	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows		Deferred Inflows
2018	\$ 3,003,359	\$ -0-	\$ 1,001,120	\$ 2,002,239	\$	
2017	1,744,425	-0-	581,475	1,162,950		-0-
2016	-0-	-0-	-0-	-0-		-0-
2015	2,065,267	-0-	2,065,267	-0-		-0-
				\$ 3,165,189	\$	-0-

Changes in Proportion

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in the employers' proportionate shares are presented in the schedule of pension amounts by employer as deferred outflows or deferred inflows as of June 30, 2019.

NOTE 10 – CONTRIBUTIONS – PROPORTIONATE SHARE

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of pension amounts by employer due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

NOTE 11 – RETIRMENT FUND AUDIT REPORT

The Municipal Employees' Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2019. Access to the report can be found on the Louisiana Legislative Auditor's website, <u>www.lla.gov</u>.

NOTE 12 – SUBSEQUENT EVENTS

The System evaluated all subsequent events through January 29, 2020, the date the employer schedules were available to be issued. As a result, management noted no subsequent events that required adjustment to, or disclosure in, these employer pension schedules.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

NOTE 13 – ESTIMATES

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumption regarding certain types of assets, liabilities, revenues and expenses. According, actual results may differ from estimated amounts.

7. INTERFUND TRANSFERS

Interfund transfers were made during the year for operational purposes.

8. 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.

9. ENCUMBRANCES

The Village does not utilize encumbrance accounting.

10. ELECTED OFFICIALS SALARIES

Name	Title	Term	 Annual Salary
Melissa Bratton	Mayor	2019-2022	\$ 14,800
Kimberly Bandy	Council Member	2019-2022	1,500
Rocky Cain	Council Member	2019-2022	1,500
Danny Finley	Council Member	2019-2022	1,500
Mitchell Bratton	Police Chief	2019-2022	\$ 27,600

*Council is paid \$25 for special meetings.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

11. RATES

The Village of Grayson Enterprise Fund has the following rates. The deposit amounts are listed below:

		Renter Owner	\$175 - \$25 Nonrefundable \$100 - \$25 Nonrefundable
Rate Sch	edule:		
	Water		ICL - 16.00 for the 1 st 1,000 gal., 2.50 per 1,000 thereafter OCL - 19.00 for the 1 st 1,000 gal., 3.00 per 1,000 thereafter
	Holum Water System	n	\$2.00 per 1,000 gal., no minimum
	Sewer		Residential \$32.50 flat fee
	Fire		Residential - \$4.50 in city limits

12. PRIOR PERIOD ADJUSTMENTS

Governmental Funds: A prior period adjustment of \$21,448 was made to correct net pension liability and retirement payable.

Enterprise Funds: A prior period adjustment of \$12,662 was made to correct accounts receivable in the sewer fund and \$7,906 to correct accounts receivable in the water fund. A prior period adjustment of \$41,920 was made to correct customer deposit liability.

REQUIRED SUPPLEMENTAL INFORMATION

Actual

VILLAGE OF GRAYSON, LOUISIANA

Statement of Revenues, Expenditures, & Changes in Fund Balance Budget & Actual General Fund For the Year Ended December 31, 2019

		BUDGET A	MOUNTS	Amounts	
Bernard	-	Original	Final	Budgetary Basis	VARIANCES FAVORABLE (UNFAVORABLE)
REVENUES	\$	10.000 0	40.020	51 ((0	¢ 1740
Fees & Charges Taxes/Licenses	3	48,996 \$	49,920 S 65,071	5 51,669 69,197	
Fines		69,792 140,000	136,046	145,114	4,126 9,068
Grants		6,000	-0-	145,114	1,000
Interest Income		4,707	3,118	3,959	841
Reimbursements		-0-	-0-	1,000	1,000
Other General Revenues		6,200	5,583	3,034	(2,549)
TOTAL REVENUES	2.5	275,695	259,738	274,973	15,235
TOTAL REVENCES	52	213,095	239,130		15,255
Expenditures					
General & Administrative		242,441	268,833	189,175	79,658
Public Safety:		2.2,111	200,000	105,175	19,000
Police		38,907	42,276	94,901	(52,625)
Fire		36,711	35,937	37,794	(1,857)
Debt Service		-0-	-0-	17,420	(17,420)
Capital Outlay		-0-	-0-	-0-	-0-
TOTAL EXPENDITURES	35	318,059	347,046	339,290	7,756
	52				
EXCESS (DEFICIENCY) OF REVENUES OVER (Under) Expenditures		(42,364)	(87,308)	(64,317)	22,991
OTHER FINANCING SOURCES (USES)		20			
Loan Proceeds		-0-	-0-	25,000	25,000
Transfers In/(Out)		73,000	102,281	88,791	(13,490)
TOTAL OTHER FINANCING SOURCES (USES)		73,000	102,281	113,791	11,510
NET CHANGE IN FUND BALANCE	\$_	30,636 \$	14,973	49,474	\$34,501
PRIOR PERIOD ADJUSTMENT				43,504	
Fund Balance - Beginning Fund Balance - Ending				\$ <u>212,221</u> \$ <u>305,199</u>	

See independent auditor's report and notes to financial statements.

Statement 2

VILLAGE OF GRAYSON, LOUISIANA

Schedule of the Village's Proportionate Share of the Net Pension Liability Louisiana Municipal Employees' Retirement System

Year	Village's Proportion of the NPL (Percentage)	Village's Proportionate Share of the NPL (Amount)	Village's Covered- Employee Payroll	Village's Proportionate Share of the NPL as a Percentage of Its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.063%	\$55,468	\$51,681	107.3%	51.2%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the Village's Contributions Louisiana Municipal Employees' Retirement System

	Contractually	Contributions in Relation to			Contribution as a
	Required	Contractually Required	Contribution	Employer's	Percentage of Covered
Year	Contributions	Contributions	Deficiency (Excess)	Covered Payroll	Employee Payroll
2019	\$6,678	(\$6,549)	\$129	\$51,681	12.9%
		· · /		*	

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Village of Grayson, Louisiana Changes to Assumptions and Other Input Year Ended December 31, 2019

	June 30, 2019	<u>June 30, 2018</u>
Valuation Date	June 30, 2019	June 30, 2018
Actual Cost Method	Entry age normal	Entry age normal
Expected remaining service lives	3 years	3 years – Plan A 4 years – Plan B
Investment rate of return	7.00%, net of pension plan investment expense, including inflation	7.275%, net of pension plan investment expense, including inflation
Inflation rate	2.50%	2.60%
Salary increases, including inflation and merit increases: -1 to 4 years of service -More than 4 years of service	6.4% - Plan A & 7.4% - Plan B 4.5% - Plan A & 4.9% - Plan B	5.00% 5.00%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA.
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, adjusted using their respective male and female MP2018 scales.	RP-2000 Employee Sex Distinct Table set back 2 years for both males and females.
Disables lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females.

OTHER INFORMATION

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Village of Grayson, Louisiana Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer For the Year Ended December 31, 2019

Honorable Melissa Bratton, Mayor

Purpose	 Amount
Salary	\$ 14,800
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	720
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.

OTHER REPORTS

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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 Melissa Bratton, Mayor and Members of the Village Council Grayson, Louisiana

We have audited, in accordance with the auditing standards general 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 the business-type activities as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village of Grayson, Louisiana's basic financial statements, and have issued our report thereon dated June 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Grayson, Louisiana'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 Grayson, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Grayson, Louisiana'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 such that there is a reasonable possibility that a material misstatement of the antity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: **2019-1 Small Size of Entity and 2019-4 Utility Cut-Off Policy**.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Grayson, Louisiana'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items: **2019-2 Restricted Cash and Customer Deposits Liability and 2019-3 Payroll Advances**.

The Village of Grayson's Response to Findings

The Village of Grayson's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Cost. The Village of Grayson's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana June 29, 2020

SCHEDULE OF FINDINGS AND OUESTIONED COST For the Year Ended December 31, 2019

We have audited the basic financial statements of the Village of Grayson, Louisiana, as of and for the year ended December 31, 2019, and have issued our report thereon June 29, 2020. 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 December 31, 2019, resulted in an unmodified opinion.

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

	Dollar threshold used to distinguish between Type A and Type B Programs:\$750,000Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance?Yes
	D-11
	CFDA Number (s) Name Of Federal Program (or Cluster)
c.	Identification of Major Programs:
	Yes No
	Are the findings required to be reported in accordance with Uniform Guidance?
	Type of Opinion on ComplianceUnmodifiedQualifiedFor Major ProgramsDisclaimerAdverse
	Internal Control Material Weaknesses Yes No Other Conditions Yes No
b.	Federal Awards (Not Applicable)
	Compliance Compliance Material to Financial Statements Yes No
	Internal Control Material Weaknesses Yes Yes No Significant Deficiencies Yes No

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.) For the Year Ended December 31, 2019

Section II Financial Statement Findings

<u>2019-1 Small Size of Entity</u> (Internal Control)

Condition: Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village's cash.

Criteria: Important elements of good internal controls often require that the same employees do not handle the functions of accounting, collections, billing, receiving, and check writing.

Cause of Condition: Small size of entity and lack of employees.

Effect of Condition: Significant deficiency in internal controls.

Recommendation: We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Client Response: Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

2019-2 Restricted Cash and Customer Deposits Liability (Compliance)

Condition: The Village currently has a customer liability of \$40,280 and no cash set aside, or restricted, for the liability.

Criteria: The Village should have enough restricted cash in an amount equal to the customer liability.

Cause of Condition: Not restricting cash to cover customer deposits.

Effect of Condition: Not having sufficient restricted cash to cover customer deposit liability.

Recommendation: The Village should start setting aside restricted cash from future operations of the water fund to cover and meet the customer deposit liability.

Client Response: The Village will begin setting aside restricted cash from future operations of the water fund to cover and meet the customer deposit liability.

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.) For the Year Ended December 31, 2019

Section II Financial Statement Findings

<u>2019-3 Payroll Advances</u> (Compliance)

Condition: The Village paid two advances on payroll totaling \$3,450.

Criteria: The Village should not have advanced wages or salaries to employees in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG Opinion 79-729.

Cause of Condition: Oversight by Village.

Effect of Condition: Compliance violation.

Recommendation: The Village should not advance any salaries to employees.

Client Response: The Village was unaware of the requirements and has discontinued advancements of wages and salaries and all advances has been paid back to the Village.

2019-4 Utility Cut-Off Policy (Internal Control)

Condition: The Village had one employee/official over 90 days past due on utility services.

Criteria: The utility cut-off policy requires the Village to terminate services to customers who are delinquent.

Cause of Condition: Not following cut-off policy for employees/officials.

Effect of Condition: Potential special treatment of employees/officials.

Recommendation: We recommend that the Village comply with its utility cut-off policy in the future and cut off utility services to employees/officials who do not pay within the time limit stated in the policy.

Client Response: Management will comply with its utility cut-of policy in the future and cut off utility services to employees/officials who do not pay within the time limit stated in the policy.

Section III Federal Awards Findings and Questioned Costs

Not Applicable.

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS

FINDINGS:

2019-1 Small Size of Entity

Finding: Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village's cash. Important elements of good internal controls often require that the same employees do not handle the functions of accounting, collections, billing, receiving, and check writing.

Corrective Action: Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Contact Person: Melissa Bratton, Mayor

Anticipated Completion Date: N/A

2019-2 Restricted Cash and Customer Deposits Liability

Finding: The Village currently has a customer liability of \$40,280 and no cash set aside, or restricted, for the liability. The Village should have enough restricted cash in an amount equal to the customer liability.

Corrective Action: The Village will begin setting aside restricted cash from future operations of the water fund to cover and meet the customer deposit liability.

Contact Person: Melissa Bratton, Mayor

Anticipated Completion Date: December 31, 2020

2019-3 Payroll Advances

Finding: The Village paid two advances on payroll totaling \$3,450. The Village should not have advanced wages or salaries to employees in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG Opinion 79-729.

Corrective Action: The Village was unaware of the requirements and has discontinued advancements of wages and salaries and all advances has been paid back to the Village.

Contact Person: Melissa Bratton, Mayor

Anticipated Completion Date: December 31, 2020

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS

FINDINGS:

2019-4 Utility Cut-Off Policy (Internal Control)

Finding: The Village had one employee/official over 90 days past due on utility services. The utility cut-off policy requires the Village to terminate services to customers who are delinquent.

Corrective Action: Management will comply with its utility cut-of policy in the future and cut off utility services to employees/officials who do not pay within the time limit stated in the policy.

Contact Person: Melissa Bratton, Mayor

Anticipated Completion Date: December 31, 2020

MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

There are no current year management letter comments.

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

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

The management of the Village of Grayson, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended December 31, 2018.

PRIOR YEAR FINDINGS

<u>2018-1</u> (Unresolved)

Condition: No segregation of duties – on one clerk.

Criteria: Duties should be distributed among employees.

Cause of Condition: The staff consists of a small work for handling the duties of the office.

Effect of Condition: Proper internal control is weakened by the limited staff.

Recommendation: Hire more employees and redistribute duties.

Client Response: The system states this cannot be remedied due to lack of funds.

<u>2018-2</u> (Resolved)

Condition: Louisiana Statute 24-513 requires that the Village prepare and submit its audit report to the Louisiana Legislative Auditor no later than six months after the most recent fiscal year. The Village of Grayson did not timely file its audit report as required. This was not a fault of the Village of Grayson or the audit firm, as shown in the criteria below.

Criteria: The LARS: 24-513 audit must be submitted within six months after the most recent fiscal year. Due to the fact during the audit, just days before the prescribed time frame, the Village was closed with no utilities for two days due to storm damage, and the Village clerk had an unexpected death in her family. This was not a fault of the Village or audit firm.

Cause of Condition: The audit was not timely submitted.

Effect of Condition: The audit was untimely filed, according to the requirement of the Statue, causing Village of Grayson to be in violation of the law.

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

PRIOR YEAR FINDINGS (CONTINUED)

Recommendation: Be more alert to the filing requirements and make preparations to timely file.

Client Response: Management agrees to the above recommendation.