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THE VERCHER GROUP

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Certified Fraud Examiners

Village of Georgetown was revised to add additional schedules requested by the Office of Community Development. Schedules were added to break out the LCDBG grants received by the Village.

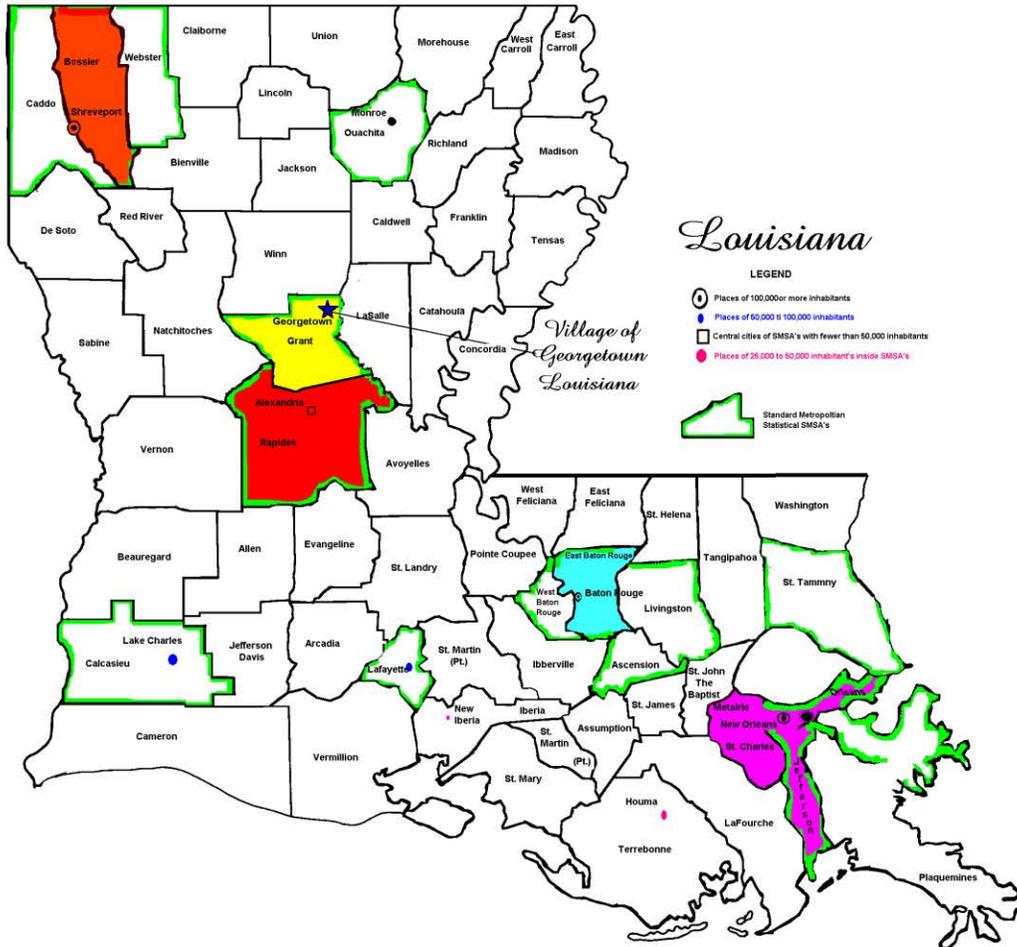
The Vercher Group

VILLAGE OF GEORGETOWN, LOUISIANA

Annual Financial Statements

JUNE 30, 2019

VILLAGE OF GEORGETOWN GEORGETOWN, LOUISIANA



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

**Village of Georgetown, Louisiana
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June 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and business-type activities of the Village of Georgetown, Louisiana as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village of Georgetown's basic financial statements as listed in the table of contents.

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 controls 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 Georgetown, Louisiana as of June 30, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Georgetown's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer and schedules of LCDBG Funds are 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 and schedules of LCDBG Funds are 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 and schedules of LCDBG Funds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019, on our consideration of the Village of Georgetown's internal control over financial reporting and

on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Village of Georgetown's internal control over financial reporting and compliance.

The Vercher Group

November 25, 2019
Jena, Louisiana

Village of Georgetown

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Georgetown, Louisiana 71432

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Village, we offer readers of the Village of Georgetown's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 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 \$780,982 (*net position*). This is a \$938 decrease from last year.
- The Village had total revenue of \$591,569. This is a \$54,670 increase from last year's revenues, mainly due to an increase in fines in the amount of \$52,141.
- The Village had total expenditures of \$561,886, which is a \$15,467 decrease from last year, mainly due to a decrease in capital outlay expense in the amount of \$25,010.

Enterprise Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$1,820,669 (*net position*). This is a \$376,732 increase from last year.
- The Village had total revenue of \$578,187. This is a \$437,758 increase from last year due to an increase in capital contributions in the amount of \$435,382.
- The Village had total expenses of \$195,077, in which \$71,520 was for depreciation, which is a non-cash transaction. This is an increase in total expenses from last year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

USING THIS ANNUAL REPORT

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

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

Reporting the Village's Most Significant Funds

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

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

MD&A

**GOVERNMENTAL FUNDS
Statement of Net Position**

The following table represents the Comparative Statement of Net Position as of June 30, 2019:

Assets	2018	2019	% Change
Cash & Investments	\$ 23,901	\$ 52,537	119.8
Receivables, Net	39,384	47,852	21.5
Capital Assets, Net of Accumulated Depreciation	752,601	709,550	-5.7
Total Assets	815,886	809,939	-0.7
Liabilities			
Accounts, Salaries, & Other Payables	14,357	15,400	7.3
Current Notes Payable	6,028	6,342	5.2
Non-Current Notes Payable	13,581	7,215	-46.9
Total Liabilities	33,966	28,957	-14.8
Net Position			
Net Investment in Capital Assets	732,992	695,993	-5.1
Unrestricted	48,928	84,989	73.7
Total Net Position	\$ 781,920	\$ 780,982	-0.1

Comparative Changes in Fund Balances

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2019:

REVENUES	2018	2019	% Change
Fines	\$ 495,276	\$ 547,417	10.5
Fees & Charges	19,999	21,967	9.8
Ad Valorem Taxes	7,385	6,832	-7.5
Post Office Lease	4,182	4,623	10.6
Other	10,057	10,730	6.7
Intergovernmental- Capital Grants	-0-	-0-	0.0
TOTAL REVENUES	536,899	591,569	10.2
EXPENDITURES			
Personnel Expense	323,671	323,276	-0.1
Police Expense	55,328	61,419	11.1
Other Operating	167,070	170,347	2.0
Capital Outlay	25,010	-0-	-100.0
Debt Service	6,274	6,844	9.1
TOTAL EXPENDITURES	577,353	561,886	-2.7
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(40,454)	29,683	173.4
OTHER FINANCING SOURCES (USES)			
Loan Proceeds	25,010	-0-	-100.0
Transfers In (Out)	1,012	6,378	530.2
TOTAL OTHER FINANCING SOURCES (USES)	26,022	6,378	-75.5
NET CHANGE IN FUND BALANCE	(14,432)	36,061	349.9
FUND BALANCES--BEGINNING	63,360	48,928	-22.8
FUND BALANCES--ENDING	\$ 48,928	\$ 84,989	73.7

MD&A

ENTERPRISE FUNDS

Comparative Statement of Net Position

The following table represents the Comparative Statement of Net Position as of June 30, 2019:

CURRENT ASSETS	2018	2019	% Change
Cash & Cash Equivalents	\$ 35,801	\$ 34,618	-3.3
Receivables, Net	15,409	9,103	-40.9
TOTAL CURRENT ASSETS	<u>51,210</u>	<u>43,721</u>	-14.6
 NON-CURRENT ASSETS			
Restricted Assets	12,100	11,800	-2.5
Capital Assets (Net of Accumulated Depreciation)	1,415,004	1,962,372	38.7
TOTAL NON-CURRENT ASSETS	<u>1,427,104</u>	<u>1,974,172</u>	38.3
 TOTAL ASSETS	<u>1,478,314</u>	<u>2,017,893</u>	36.5
 CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	4,879	5,694	16.7
Current Notes Payable	11,000	11,000	0.0
TOTAL CURRENT LIABILITIES	<u>15,879</u>	<u>16,694</u>	5.1
 NON-CURRENT LIABILITIES			
Customer Deposits	12,100	11,800	-2.5
Non-Current Notes Payable	6,398	168,730	2,537.2
TOTAL NON-CURRENT LIABILITIES	<u>18,498</u>	<u>180,530</u>	876.0
 TOTAL LIABILITIES	<u>34,377</u>	<u>197,224</u>	473.7
 NET POSITION			
Net Investment in Capital Assets	1,397,606	1,782,642	27.6
Unrestricted	46,331	38,027	-17.9
TOTAL NET POSITION	<u>\$ 1,443,937</u>	<u>\$ 1,820,669</u>	26.1

MD&A

Comparative Changes in Net Position

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2019:

OPERATING REVENUES	2018	2019	% Change
Water Sales	\$ 44,486	\$ 39,253	-11.8
Sewer Charges	35,014	37,347	6.7
Sales Tax	38,294	43,545	13.7
Other	1,370	1,395	1.8
TOTAL OPERATING REVENUES	<u>119,164</u>	<u>121,540</u>	2.0
OPERATING EXPENSES			
Administration	29,153	28,444	-2.4
Operating	70,402	95,113	35.1
Depreciation	71,217	71,520	0.4
TOTAL OPERATING EXPENSES	<u>170,772</u>	<u>195,077</u>	14.2
OPERATING INCOME (LOSS)	<u>(51,608)</u>	<u>(73,537)</u>	42.5
NON-OPERATING REVENUES (EXPENSES)			
Interest Expense	-0-	-0-	0.0
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>-0-</u>	<u>-0-</u>	0.0
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	(51,608)	(73,537)	42.5
OTHER FINANCING SOURCES (USES)			
Transfers In/(Out)	(1,012)	(6,378)	530.2
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,012)</u>	<u>(6,378)</u>	530.2
CAPITAL CONTRIBUTIONS	21,265	456,647	2,047.4
CHANGE IN NET POSITION	(31,355)	376,732	1,301.5
PRIOR PERIOD ADJUSTMENT	3,025	-0-	-100.0
TOTAL NET POSITION – BEGINNING	1,472,267	1,443,937	-1.9
TOTAL NET POSITION – ENDING	<u>\$ 1,443,937</u>	<u>\$ 1,820,669</u>	26.1

CAPITAL ASSETS & LONG-TERM DEBT

Capital Assets – Governmental Fund

At June 30, 2019, the Village had \$709,550 invested in capital assets, including land, the walking track, street improvements, police cars, and equipment.

Capital Assets At Year-End

	2018	2019
Land *	\$ 8,000	\$ 8,000
Buildings/Walking Track/Street	946,254	946,254
Equipment	418,557	418,557
Accumulated Depreciation	(620,210)	(663,261)
Capital Assets, Net	<u>\$ 752,601</u>	<u>\$ 709,550</u>

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

MD&A

Capital Assets – Enterprise Fund

At June 30, 2019, the Village had \$1,962,372 invested in capital assets, including the sewer system, water system, machinery, and equipment.

Capital Assets At Year-End			
	<u>2018</u>		<u>2019</u>
Sewer System	\$ 1,401,595	\$	2,027,016
Water System	1,685,300		1,717,430
Construction in Progress	38,663		-0-
Accumulated Depreciation	(1,710,554)		(1,782,074)
Capital Assets, Net	<u>\$ 1,415,004</u>	<u>\$</u>	<u>1,962,372</u>

Long Term Debt

The following is a summary of bonds and lease payable of the Village of Georgetown for the year ended June 30, 2019.

	<u>Balance 6-30-2018</u>	<u>Additions</u>	<u>Principal Paid</u>	<u>Balance 6-30-2019</u>
Police Auto Lease	\$ 19,609	\$ -0-	\$ (6,052)	\$ 13,557
Utility Revenue Bond – Series 2017	17,398	162,332	-0-	179,730
Total	<u>\$ 37,007</u>	<u>\$ 162,332</u>	<u>\$ (6,052)</u>	<u>\$ 193,287</u>

Bond and lease notes payable at June 30, 2019, are comprised of the following issues:

Police Auto Lease (General Fund)

\$25,010 lease purchase with Ford Motor Credit Company starting 09/06/2017. Due in monthly installments of \$570.32 with an interest rate of 4.70% for 48 months.

\$ 13,557

Utility Revenue Bond (Enterprise Fund)

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

*The entire loan hasn't been disbursed and will be booked in the next fiscal year.

..... 179,730

Total

\$ 193,287

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

Basic Financial Statements

Village of Georgetown, Louisiana
Statement of Net Position
June 30, 2019

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$ 52,537	\$ 34,618	\$ 87,155
Receivables, Net	47,852	9,103	56,955
Restricted Assets	-0-	11,800	11,800
Capital Assets (Net of Accumulated Depreciation)	709,550	1,962,372	2,671,922
TOTAL ASSETS	809,939	2,017,893	2,827,832
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	15,400	5,694	21,094
Current Notes Payable	6,342	11,000	17,342
TOTAL CURRENT LIABILITIES	21,742	16,694	38,436
NON-CURRENT LIABILITIES			
Customer Deposits	-0-	11,800	11,800
Non-Current Notes Payable	7,215	168,730	175,945
TOTAL NON-CURRENT LIABILITIES	7,215	180,530	187,745
TOTAL LIABILITIES	28,957	197,224	226,181
NET POSITION			
Net Investment in Capital Assets	695,993	1,782,642	2,478,635
Unrestricted	84,989	38,027	123,016
TOTAL NET POSITION	\$ 780,982	\$ 1,820,669	\$ 2,601,651

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana
Statement of Activities
For the Year Ended June 30, 2019**

	PROGRAM REVENUES				NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Capital Grants & Contributions	Net Revenue (Expense)	Governmental Activities	Business Type Activities	Total
Governmental Activities							
General	\$ (536,674)	\$ 21,967	\$ -0-	\$ (514,707)	\$ (514,707)		\$ (514,707)
Police	(61,419)	-0-	-0-	(61,419)	(61,419)		(61,419)
Interest Expense	(792)	-0-	-0-	(792)	(792)		(792)
Total Governmental Activities	<u>(598,885)</u>	<u>21,967</u>	<u>-0-</u>	<u>(576,918)</u>	<u>(576,918)</u>		<u>(576,918)</u>
Business Type Activities							
Sewer	(83,933)	37,347	424,749	378,163		\$ 378,163	378,163
Water	(111,144)	39,253	31,898	(39,993)		(39,993)	(39,993)
Total Business Type Activities	<u>(195,077)</u>	<u>76,600</u>	<u>456,647</u>	<u>338,170</u>		<u>338,170</u>	<u>338,170</u>
Total Primary Government	\$ <u>(793,962)</u>	\$ <u>98,567</u>	\$ <u>456,647</u>	\$ <u>(238,748)</u>			<u>(238,748)</u>
			General Revenues				
			Fines		547,417	-0-	547,417
			Taxes:				
			Ad valorem Taxes		6,832	-0-	6,832
			Sales Tax		-0-	43,545	43,545
			Other		15,353	1,395	16,748
			Loan Proceeds		-0-	-0-	-0-
			Transfers In (Out)		6,378	(6,378)	-0-
			Total General Revenues		<u>575,980</u>	<u>38,562</u>	<u>614,542</u>
			Change in Net Position		(938)	376,732	375,794
			Net Position - Beginning		781,920	1,443,937	2,225,857
			Net Position - Ending		<u>\$ 780,982</u>	<u>\$ 1,820,669</u>	<u>\$ 2,601,651</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Balance Sheet
Governmental Funds
June 30, 2019

	<u>GENERAL FUND</u>
ASSETS	
Cash	\$ 52,537
Receivables	47,852
TOTAL ASSETS	<u>100,389</u>
LIABILITIES	
Accounts, Salaries, & Other Payables	15,400
TOTAL LIABILITIES	<u>15,400</u>
FUND BALANCES	
Unassigned	84,989
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 100,389</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2019

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 84,989
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	709,550
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Other	<u>(13,557)</u>
Net Position of Governmental Activities (Statement A)	<u>\$ 780,982</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	<u>GENERAL</u>
REVENUES	
Fines	\$ 547,417
Fees & Charges	21,967
Ad Valorem Taxes	6,832
Post Office Lease	4,623
Intergovernmental – Capital Grants	-0-
Other	10,730
TOTAL REVENUES	<u>591,569</u>
EXPENDITURES	
Personnel Expense	323,276
Police Expense	61,419
Other Operating	170,347
Debt Service	6,844
Capital Outlay	-0-
TOTAL EXPENDITURES	<u>561,886</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>29,683</u>
OTHER FINANCING SOURCES (USES)	
Loan Proceeds	-0-
Transfers In (Out)	6,378
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,378</u>
NET CHANGE IN FUND BALANCE	36,061
FUND BALANCES--BEGINNING	48,928
FUND BALANCES--ENDING	<u>\$ 84,989</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2019

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

Net Change in Fund Balances, Total Governmental Funds, Statement E		\$	36,061
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	Capital Purchases		-0-
	Depreciation Exp	(43,051)	(43,051)
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	Loan Proceeds		-0-
	Principal Paid	6,052	6,052
			<u>6,052</u>
Changes in Net Position of Governmental Activities, Statement B		\$	<u>(938)</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Statement of Net Position
Proprietary Funds
June 30, 2019

	BUSINESS TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 29,171	\$ 5,447	\$ 34,618
Receivables, Net	4,505	4,598	9,103
TOTAL CURRENT ASSETS	<u>33,676</u>	<u>10,045</u>	<u>43,721</u>
NON-CURRENT ASSETS			
Restricted Assets	-0-	11,800	11,800
Capital Assets (Net of Accumulated Depreciation)	1,218,093	744,279	1,962,372
TOTAL NON-CURRENT ASSETS	<u>1,218,093</u>	<u>756,079</u>	<u>1,974,172</u>
TOTAL ASSETS	<u>1,251,769</u>	<u>766,124</u>	<u>2,017,893</u>
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	1,791	3,903	5,694
Current Notes Payable	11,000	-0-	11,000
TOTAL CURRENT LIABILITIES	<u>12,791</u>	<u>3,903</u>	<u>16,694</u>
NON-CURRENT LIABILITIES			
Customer Deposits	-0-	11,800	11,800
Current Notes Payable	168,730	-0-	168,730
TOTAL NON-CURRENT LIABILITIES	<u>168,730</u>	<u>11,800</u>	<u>180,530</u>
TOTAL LIABILITIES	<u>181,521</u>	<u>15,703</u>	<u>197,224</u>
NET POSITION			
Net Investment in Capital Assets	1,038,363	744,279	1,782,642
Unrestricted	31,885	6,142	38,027
TOTAL NET POSITION	<u>\$ 1,070,248</u>	<u>\$ 750,421</u>	<u>\$ 1,820,669</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Statement of Revenues, Expenses & Changes in Net Position
Proprietary Funds
June 30, 2019

BUSINESS TYPE ACTIVITIES
ENTERPRISE FUNDS

	SEWER FUND	WATER FUND	TOTAL
OPERATING REVENUES			
Sales of Services	\$ 37,347	\$ 39,253	\$ 76,600
Sales Tax	21,139	22,406	43,545
Other	27	1,368	1,395
TOTAL OPERATING REVENUES	<u>58,513</u>	<u>63,027</u>	<u>121,540</u>
OPERATING EXPENSES			
Administration	14,188	14,256	28,444
Operations	40,639	54,474	95,113
Depreciation	29,106	42,414	71,520
TOTAL OPERATING EXPENSES	<u>83,933</u>	<u>111,144</u>	<u>195,077</u>
OPERATING INCOME (LOSS)	<u>(25,420)</u>	<u>(48,117)</u>	<u>(73,537)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Expense	-0-	-0-	-0-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	(25,420)	(48,117)	(73,537)
OTHER FINANCING SOURCES (USES)			
Transfers In/(Out)	(4,522)	(1,856)	(6,378)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,522)</u>	<u>(1,856)</u>	<u>(6,378)</u>
Capital Contributions	<u>424,749</u>	<u>31,898</u>	<u>456,647</u>
CHANGE IN NET POSITION	394,807	(18,075)	376,732
TOTAL NET POSITION – BEGINNING	675,441	768,496	1,443,937
TOTAL NET POSITION – ENDING	<u>\$ 1,070,248</u>	<u>\$ 750,421</u>	<u>\$ 1,820,669</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Statement of Cash Flows
Proprietary Funds
June 30, 2019

	BUSINESS TYPE ACTIVITIES ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 60,877	\$ 66,669	\$ 127,546
Payments to Suppliers/Employees	(54,196)	(68,546)	(122,742)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>6,681</u>	<u>(1,877)</u>	<u>4,804</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In/(Out)	(4,522)	(1,856)	(6,378)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(4,522)</u>	<u>(1,856)</u>	<u>(6,378)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Capital Grant	424,749	31,898	456,647
Purchase of Capital Assets	(586,758)	(32,130)	(618,888)
Increase (Decrease) in Bonds Payable	162,332	-0-	162,332
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>323</u>	<u>(232)</u>	<u>91</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in Restricted Assets	-0-	300	300
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-0-</u>	<u>300</u>	<u>300</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	2,482	(3,665)	(1,183)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	<u>26,689</u>	<u>9,112</u>	<u>35,801</u>
CASH & CASH EQUIVALENTS, END OF YEAR	<u>29,171</u>	<u>5,447</u>	<u>34,618</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	(25,420)	(48,117)	(73,537)
Depreciation Expense	29,106	42,414	71,520
(Increase) Decrease in Accounts Receivable	2,364	3,942	6,306
Increase (Decrease) in Accounts Payables	631	184	815
Increase (Decrease) in Customer Deposits	-0-	(300)	(300)
TOTAL ADJUSTMENTS	<u>32,101</u>	<u>46,240</u>	<u>78,341</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 6,681</u>	<u>\$ (1,877)</u>	<u>\$ 4,804</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic
Financial Statements**

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The following is a summary of certain significant accounting policies:

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

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

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

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

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

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

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

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

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

The municipality reports the following major governmental fund:

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

The municipality reports the following major proprietary funds:

- Water Fund
- 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.

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

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

C. EQUITY CLASSIFICATIONS

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

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

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

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

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

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

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

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

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

D. FIXED ASSETS & LONG-TERM LIABILITIES

For the year ended June 30, 2019, no interest costs were capitalized for construction of fixed assets. The Village maintains a threshold level of \$1,500 or more for capitalizing capital assets.

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

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

E. BUDGETARY PRACTICES

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

F. CASH, CASH EQUIVALENTS, & INVESTMENTS

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

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

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

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

Bank	Bank Balance 6-30-2019
Southern Heritage Bank	\$ 111,302

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

Description	Market Value
FDIC (<i>Category 1</i>)	\$ 111,302
Securities (<i>Category 2</i>)	-0-
Total	\$ 111,302

Deposits were fully secured as of June 30, 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.

G. INVENTORIES

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

H. ACCOUNTS RECEIVABLE & ALLOWANCE FOR BAD DEBTS

	Enterprise Fund		Governmental Fund
	Water Fund	Sewer Fund	General Fund
Tax /Franchise	\$ 3,253	\$ 3,156	\$ 47,852
Customer	1,507	1,507	-0-
Allowance for Bad Debts*	(162)	(158)	-0-
Total A/R, Net	\$ 4,598	\$ 4,505	\$ 47,852

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

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

(2) AD VALOREM TAXES

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

Property Tax Calendar

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

For the year ended June 30, 2019, taxes of 8.29 mills were levied against property having a valuation of some \$817,765 which produced some \$6,779 in revenue.

Ad Valorem Taxes are broken down as follows:

	<u>Mills</u>
General Alimony	8.29
Total	<u>8.29</u>

(3) SALES TAX

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

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

(4) FIXED ASSETS

Governmental Fund:

A summary of governmental fund depreciable assets at June 30, 2019, is as follows:

	Balance 6-30-2018	Additions (Deletions)	Balance 6-30-2019
Land *	\$ 8,000	\$ -0-	\$ 8,000
Buildings/Walking Track/Street	946,254	-0-	946,254
Equipment	418,557	-0-	418,557
Accumulated Depreciation	(620,210)	(43,051)	(663,261)
Net	<u>\$ 752,601</u>	<u>\$ (43,051)</u>	<u>\$ 709,550</u>

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

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

Enterprise Fund – Plant & Equipment:

A summary of enterprise fund property, plant, and equipment at June 30, 2019, is as follows:

	Balance 6-30-2018	Additions (Deletions)	Balance 6-30-2019
Water			
Distribution System	\$ 1,685,300	\$ 32,130	\$ 1,717,430
Accumulated Depreciation	(930,737)	(42,414)	(973,151)
Net	<u>\$ 754,563</u>	<u>\$ (10,284)</u>	<u>\$ 744,279</u>
Sewer			
Plant	\$ 1,401,595	\$ 625,421	\$ 2,027,016
Construction in Progress	38,663	(38,663)	-0-
Accumulated Depreciation	(779,817)	(29,106)	(808,923)
Net	<u>\$ 660,441</u>	<u>\$ 557,652</u>	<u>\$ 1,218,093</u>

(5) CHANGES IN LONG-TERM DEBT

The following is a summary of bonds and lease payable of the Village of Georgetown for the year ended June 30, 2019.

	Balance 6-30-2018	Additions	Principal Paid	Balance 6-30-2019
Police Auto Lease	\$ 19,609	\$ -0-	\$ (6,052)	\$ 13,557
Utility Revenue Bond – Series 2017	17,398	162,332	-0-	179,730
Total	<u>\$ 37,007</u>	<u>\$ 162,332</u>	<u>\$ (6,052)</u>	<u>\$ 193,287</u>

Bond and lease notes payable at June 30, 2019, are comprised of the following issues:

Police Auto Lease (General Fund)

\$25,010 lease purchase with Ford Motor Credit Company starting 09/06/2017. Due in monthly installments of \$570.32 with an interest rate of 4.70% for 48 months.

\$ 13,557

Utility Revenue Bond (Enterprise Fund)

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

*The entire loan hasn't been disbursed and will be booked in the next fiscal year.

179,730

Total

\$ 193,287

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

The annual requirements to amortize all debt outstanding as of June 30, 2019, including interest payments, are as follows:

<u>Year Ending June 30,</u>	<u>Police Auto</u>	<u>Utility Revenue Bond</u>	<u>Total</u>
2020	\$ 6,844	\$ 13,247	\$ 20,091
2021	6,844	14,142	20,986
2022	-0-	14,028	14,028
2023	-0-	13,914	13,914
2024	-0-	13,800	13,800
2025-2029	-0-	67,291	67,291
2030-2034	-0-	69,346	69,346
2035-2038	-0-	53,755	53,755
Total	<u>\$ 13,688</u>	<u>\$ 259,523</u>	<u>\$ 273,211</u>

(6) WATER AND SEWER RATES

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

(7) LITIGATION

The Village of Georgetown is involved in no litigation at June 30, 2019, which is not covered by the Village's applicable insurance policies or is considered to be significant to the Village's financial statements.

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

(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) RETIREMENT PLANS

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

(10) TRANSFERS

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

(11) ELECTED OFFICIAL'S SALARIES

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>	<u>Annualized Salary</u>
Danny Olden 297 Hwy 502 Georgetown, LA 71432 (318) 827-5575	Mayor	Jan. 1, 2017 – Dec. 31, 2020	\$ 10,804
Jonathan Spurgeon 261 Hwy 502 Georgetown, LA 71432 (318) 623-2823	Alderman	Jan. 1, 2017 – Dec. 31, 2020	\$ 7,813
Ray Williamson PO Box 132 Georgetown, LA 71432 (318) 827-9649	Alderman	Jan. 1, 2017 – Dec. 31, 2020	\$ 8,533
Jim Bradford PO Box 192 Georgetown, LA 71432 (318) 827-5587	Alderman	Jan. 1, 2019 – Dec. 31, 2020	\$ 7,813
George Hinds 1370 Hwy 3098 Georgetown, LA 71432 (318) 623-6726	Police Chief	Oct. 1, 2019 – Dec. 31, 2020	\$ 46,800

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

(12) CONTRACTUAL AGREEMENTS

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

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

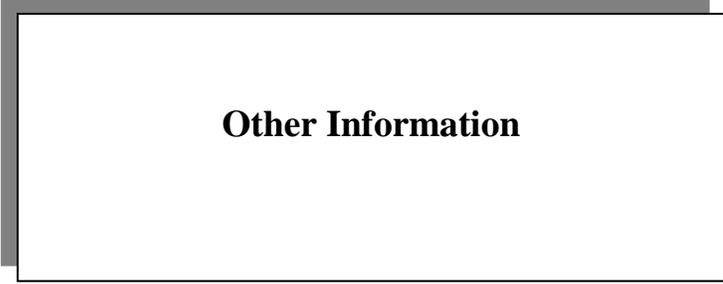
1. Georgetown agrees to construct, at its own expense, a High Flow Connection to tie its water system to Redhill. Construction will commence after the signing of this contract.
2. This contract shall be for a term of five (5) years which shall commence on the date that the construction referenced above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

**Required Supplemental
Information**

Village of Georgetown, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
General Fund
For the Year Ended June 30, 2019

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Fines	\$ 550,000	\$ 543,000	\$ 547,417	\$ 4,417
Grant	-0-	-0-	-0-	-0-
Fees & Charges	9,000	9,700	21,967	12,267
Taxes	-0-	7,300	6,832	(468)
Post Office Lease	-0-	-0-	4,623	4,623
Other	22,000	13,000	10,730	(2,270)
TOTAL REVENUES	581,000	573,000	591,569	18,569
EXPENDITURES				
Personnel Expense	392,000	346,000	323,276	22,724
Police Expense	32,000	34,000	61,419	(27,419)
Other Operating	157,000	198,928	170,347	28,581
Capital Outlay	-0-	43,000	-0-	43,000
Debt Service	-0-	-0-	6,844	(6,844)
TOTAL EXPENDITURES	581,000	621,928	561,886	60,042
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -0-	\$ (48,928)	29,683	\$ 78,611
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)			6,378	
Loan Proceeds			-0-	
TOTAL OTHER FINANCING SOURCES (USES)			6,378	
NET CHANGE IN FUND BALANCE			36,061	
FUND BALANCES--BEGINNING			48,928	
FUND BALANCES--ENDING			\$ 84,989	

The accompanying notes are an integral part of this statement.



Other Information

Village of Georgetown, Louisiana
Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2019

Honorable Danny Olden, Mayor

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

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

See independent auditor's report.

**Village of Georgetown, Louisiana
Schedule of Assets, Liabilities, & Equity
LCDBG Funds
For the Year Ended June 30, 2019**

		<u>LCDBG FUNDS</u>
ASSETS		
Cash	\$	75
Grant Revenues Receivable		-0-
TOTAL ASSETS		<u>75</u>
 LIABILITIES & FUND EQUITY		
Accounts Payable		-0-
Due To Village		75
Unearned Revenue		-0-
TOTAL LIABILITIES		<u>75</u>
 FUND BALANCE		 <u>-0-</u>
 TOTAL LIABILITIES & FUND BALANCE	 \$	 <u><u>-0-</u></u>

See independent auditor's report.

**Village of Georgetown, Louisiana
Schedule of Revenues, Expenditures &
Changes in Fund Balances
LCDBG Funds
For the Year Ended June 30, 2019**

	LCDBG FUNDS
REVENUES	
LCDBG Program	\$ 223,600
TOTAL REVENUES	223,600
EXPENDITURES	
Administrative Services	-0-
Engineering Services	-0-
Project Construction	223,600
TOTAL EXPENDITURES	223,600
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-0-
FUND BALANCES--BEGINNING	-0-
FUND BALANCES--ENDING	\$ -0-

See independent auditor's report.

OTHER REPORTS

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Society of Louisiana
Certified Public Accountants

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and business-type activities of the Village of Georgetown, Louisiana as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village of Georgetown's basic financial statements, and have issued our report thereon dated November 25, 2019.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

The Vercher Group

November 25, 2019

Jena, Louisiana

VILLAGE OF GEORGETOWN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2019

We have audited the basic financial statements of the Village of Georgetown, Louisiana, as of and for the year ended June 30, 2019, and have issued our report thereon dated November 25, 2019. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I - Summary of Auditor's Results

Our audit of the financial statements as of June 30, 2019, resulted in an unmodified opinion.

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

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

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

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

Yes No

c. Identification Of Major Programs:

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

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

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

VILLAGE OF GEORGETOWN, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)

For the Year Ended June 30, 2019

Section II - Financial Statement Findings

No findings to report.

Section III – Federal Awards Findings and Questioned Costs

Not applicable.

VILLAGE OF GEORGETOWN, LOUISIANA

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

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

The management of the Village of Georgetown, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their financial audit for the year ended June 30, 2018.

PRIOR YEAR FINDINGS

No findings to report.

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AGREED-UPON PROCEDURES REPORT

Village of Georgetown, Louisiana

Independent Accountant's Report

On Applying Agreed-Upon Procedures

For the Period of July 1, 2018- June 30, 2019

Village of Georgetown
Georgetown, Louisiana

To the Village of Georgetown and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Village of Georgetown and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Observation: The policies and procedures manual does not address Disaster Recovery/Business Continuity.

Exception: The policies and procedures manual does not address Disaster Recovery/Business Continuity.

Management's Response: The Village's policy and procedures manual will be updated to address Disaster Recovery/Business Continuity.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Observation:

A) We read the minutes of the council meetings and found the council meets monthly.

B) Budget-to-actual comparisons are not presented at monthly meetings.

Exception: Budget-to-actual comparisons are not presented at monthly meetings.

Management's Response: Due to the small size of the Village and lack of funding/spending variations, budget-to-actual are only presented when a budget needs to be adopted or amended.

C) Not applicable. Positive unrestricted fund balance.

Bank Reconciliations

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

Observation: We obtained a listing of bank accounts and management's representation that the listing is complete. We randomly selected 5 bank accounts and tested for the following:

- A) Selected bank reconciliations included evidence that they were prepared within 2 months.
- B) Bank statements with attached reconciliations were initialed and dated by police clerk who is not responsible for posting ledgers and issuing checks, but not a member of management/board member.

Exception: Bank reconciliations were not initialed by a member of management/board member.

Management's Response: Due to the small size of entity, the police clerk is the only other employee able to review bank reconciliations when board members aren't available.

- C) Of the 5 bank accounts, 4 did not have any outstanding checks more than 12 months old.

Exception: The General Fund had outstanding checks more than 12 months old.

Management's Response: The clerk will research outstanding checks and respond accordingly.

Collections (excluding EFTs)

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

Observation: We obtained the listing and management's representation that the listing is complete.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

Observation:

- A) Employees that are responsible for cash collections do not share cash drawers/registers.

B) Employees responsible for collecting cash are responsible for preparing/making bank deposits.

Exception: Employees responsible for collecting cash are responsible for preparing/making bank deposits.

Management's Response: The Village only has two office personnel and implementing this procedure would cause financial hardship to the Village. The Village implemented a no-cash policy to increase internal controls.

C) Employees responsible for collecting cash are responsible for posting collection entries.

Exception: Employees responsible for collecting cash are responsible for posting collection entries.

Management's Response: The Village only has two office personnel and implementing this procedure would cause financial hardship to the Village. The Village implemented a no-cash policy to increase internal controls.

D) Employees responsible for reconciling cash collections to the general ledger and subsidiary ledgers are responsible for collecting cash.

Exception: Employees responsible for reconciling cash collections to the general ledger and subsidiary ledgers are responsible for collecting cash.

Management's Response: The Village only has two office personnel and implementing this procedure would cause financial hardship to the Village. The Village implemented a no-cash policy to increase internal controls.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Observation: The Village has an employee theft policy.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Observation:

A) Receipts are sequentially pre-numbered.

- B) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- C) We traced the deposit slip total to the actual deposit per the bank statement.
- D) We observed that each deposit was made within one week because the depository is more than 10 miles from the collection location.
- E) Traced the actual deposit per the bank statement to the general ledger.

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

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

Observation: We obtained the listing and management’s representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]

Observation: We inquired of those employees involved with non-payroll purchasing and payment functions and found the following:

- A) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- B) At least two employees are involved in processing and approving payments to vendors.
- C) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

10. For each location selected under #8 above, obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management’s representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Observation:

- A) Selected 5 disbursements and matched to the related original invoice/billing statement with no exceptions.**
- B) Observed that the disbursement documentation included evidence of segregation of duties that the Village is able to implement (Dual signatures/Mayor authority).**

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

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

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

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Observation:

- A) We randomly selected the month of July 2018 and found the charges were reviewed when checks for payment was signed by the mayor.**
- B) There we no finance charges on the statement.**

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

Observation: The statement had 3 charges which were supported by written documentation of what was purchased and the business/public purpose.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

Contracts

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

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

Payroll and Personnel

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

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

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

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

Other

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

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

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

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

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

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

The Vercher Group

Jena, Louisiana

November 25, 2019