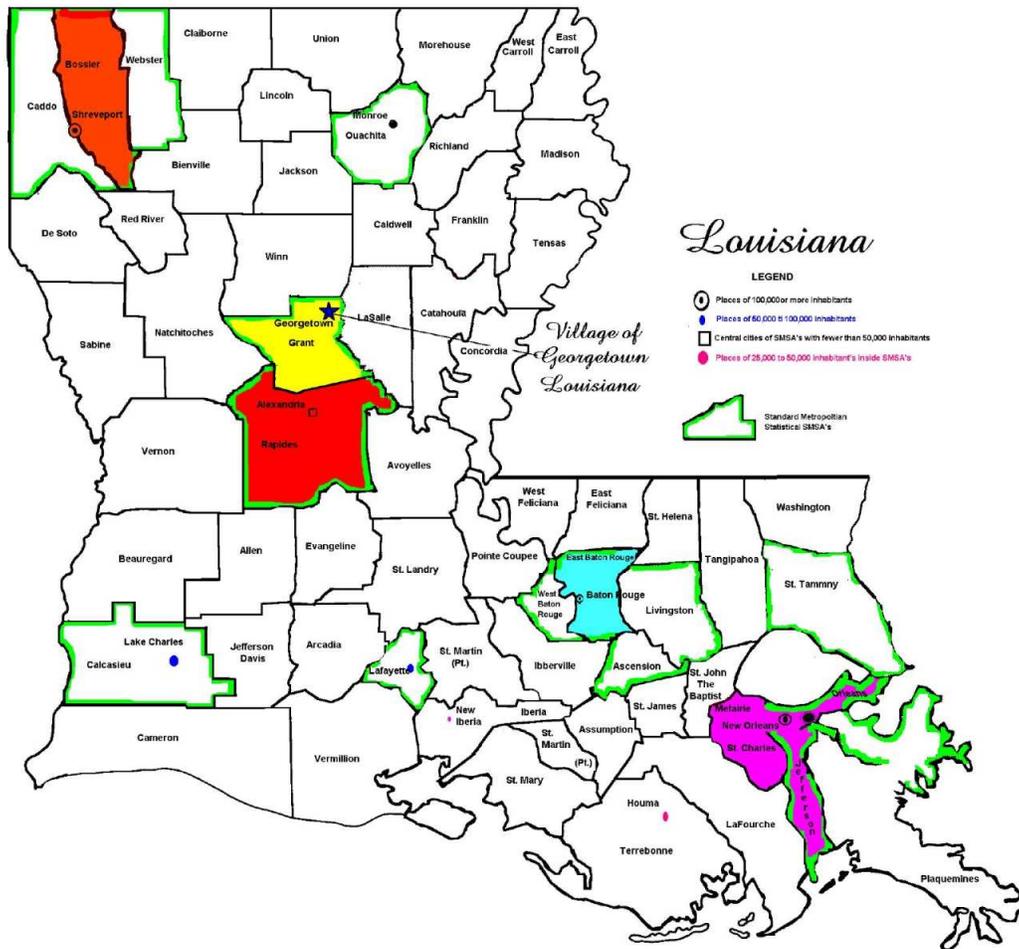


VILLAGE OF GEORGETOWN, LOUISIANA

Annual Financial Statements

JUNE 30, 2017

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, 2017**

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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, as of and for the year ended June 30, 2017, 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, as of June 30, 2017, 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 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 September 29, 2017, 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

September 29, 2017
Jena, Louisiana

Village of Georgetown

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Village, we offer readers of the Village of Georgetown's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2017. 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 \$837,916 (*net position*). This is a \$73,275 decrease from last year.
- The Village had total revenue of \$578,434. This is a \$47,295 decrease from last year's revenues, mainly due to a decrease in fines in the amount of \$59,442.
- The Village had total expenditures of \$629,273, which is a \$23,134 increase from last year, mainly due to an increase in Capital Outlay in the amount of \$21,284.

Enterprise Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$1,472,267 (*net position*). This is a \$57,737 decrease from last year.
- The Village had total revenue of \$122,964. This is a \$9,244 increase from last year due to an increase in Sewer income in the amount of \$11,239.
- The Village had total expenses of \$180,701, in which \$71,167 was for depreciation, which is a non-cash transaction. This is a 9,705 increase in total expenses from last year.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

USING THIS ANNUAL REPORT

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

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

Reporting the Village's Most Significant Funds

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

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

MD&A

**GOVERNMENTAL FUNDS
Statement of Net Position**

The following table represents the Comparative Statement of Net Position as of June 30, 2017:

Assets	<u>2016</u>	<u>2017</u>	<u>% Change</u>
Cash & Investments	\$ 59,723	\$ 39,201	-34.4
Receivables, Net	68,443	37,507	-45.2
Capital Assets, Net of Accumulated Depreciation	796,992	774,556	-2.8
Total Assets	<u>925,158</u>	<u>851,264</u>	-8.0
Liabilities			
Accounts, Salaries, & Other Payables	13,967	13,348	-4.4
Total Liabilities	<u>13,967</u>	<u>13,348</u>	-4.4
Net Position			
Invested in Capital Assets, Net of Related Debt	796,992	774,556	-2.8
Unrestricted	114,199	63,360	-44.5
Total Net Position	<u>\$ 911,191</u>	<u>\$ 837,916</u>	-8.0

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, 2017:

REVENUES	<u>2016</u>	<u>2017</u>	<u>% Change</u>
Fines	\$ 581,766	\$ 522,324	-10.2
Fees & Charges	18,322	18,876	3.0
Taxes	5,106	6,781	32.8
Post Office Lease	4,562	4,842	6.1
Other	15,973	13,111	-17.9
Intergovernmental- Capital Grants	-0-	12,500	100.0
TOTAL REVENUES	<u>625,729</u>	<u>578,434</u>	-7.6
EXPENDITURES			
Personnel Expense	353,966	345,406	-2.4
Police Expense	51,998	58,006	11.6
Other Operating	192,310	196,713	2.3
Capital Outlay	7,864	29,148	270.7
Debt Service	-0-	-0-	0.0
TOTAL EXPENDITURES	<u>606,139</u>	<u>629,273</u>	3.8
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,590</u>	<u>(50,839)</u>	-359.5
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	6,321	-0-	-100.0
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,321</u>	<u>-0-</u>	-100.0
NET CHANGE IN FUND BALANCE	25,911	(50,839)	-296.2
FUND BALANCES--BEGINNING	88,288	114,199	29.3
FUND BALANCES--ENDING	<u>\$ 114,199</u>	<u>\$ 63,360</u>	-44.5

MD&A

ENTERPRISE FUNDS

Comparative Statement of Net Position

The following table represents the Comparative Statement of Net Position as of June 30, 2017:

	<u>2016</u>	<u>2017</u>	<u>% Change</u>
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 10,333	\$ 14,016	35.6
Receivables, Net	8,734	14,948	71.1
TOTAL CURRENT ASSETS	<u>19,067</u>	<u>28,964</u>	51.9
 NON-CURRENT ASSETS			
Restricted Assets	11,516	15,125	31.3
Capital Assets (Net of Accumulated Depreciation)	1,519,150	1,447,983	-4.7
TOTAL NON-CURRENT ASSETS	<u>1,530,666</u>	<u>1,463,108</u>	-4.4
 TOTAL ASSETS	<u>1,549,733</u>	<u>1,492,072</u>	-3.7
 CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	4,604	4,680	1.7
TOTAL CURRENT LIABILITIES	<u>4,604</u>	<u>4,680</u>	1.7
 NON-CURRENT LIABILITIES			
Customer Deposits	15,125	15,125	0.0
TOTAL NON-CURRENT LIABILITIES	<u>15,125</u>	<u>15,125</u>	0.0
 TOTAL LIABILITIES	<u>19,729</u>	<u>19,805</u>	0.4
 NET POSITION			
Net Investment in Capital Assets	1,519,150	1,447,983	-4.7
Unrestricted	10,854	24,284	123.7
TOTAL NET POSITION	<u>\$ 1,530,004</u>	<u>\$ 1,472,267</u>	-3.8

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, 2017:

OPERATING REVENUES	2016	2017	% Change
Water Sales	\$ 42,229	\$ 43,391	2.8
Sewer Charges	22,399	33,638	50.2
Sales Tax	32,814	42,302	28.9
Other	16,278	3,633	-77.7
TOTAL OPERATING REVENUES	<u>113,720</u>	<u>122,964</u>	8.1
OPERATING EXPENSES			
Administration	26,923	27,704	2.9
Operating	69,160	81,830	18.3
Depreciation	74,913	71,167	-5.0
TOTAL OPERATING EXPENSES	<u>170,996</u>	<u>180,701</u>	5.7
OPERATING INCOME (LOSS)	<u>(57,276)</u>	<u>(57,737)</u>	0.8
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	<u>(57,276)</u>	<u>(57,737)</u>	0.8
OTHER FINANCING SOURCES (USES)			
Transfers In/(Out)	(6,321)	-0-	-100.0
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,321)</u>	<u>-0-</u>	-100.0
CHANGE IN NET POSITION	<u>(63,597)</u>	<u>(57,737)</u>	-9.2
TOTAL NET POSITION – BEGINNING	<u>1,593,601</u>	<u>1,530,004</u>	-4.0
TOTAL NET POSITION – ENDING	<u>\$ 1,530,004</u>	<u>\$ 1,472,267</u>	-3.8

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2017, the Village had \$774,556 invested in capital assets, including land, the walking track, street improvements, police cars, and equipment.

	Capital Assets At Year-End	
	2016	2017
Land *	\$ 8,000	\$ 8,000
Buildings/Walking Track/Street	934,742	946,254
Equipment	368,047	393,547
Accumulated Depreciation	(521,661)	(573,245)
Total Net Position	<u>\$ 796,992</u>	<u>\$ 774,556</u>

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

MD&A

Capital Assets – Enterprise Fund

At June 30, 2017, the Village had \$1,447,983 invested in capital assets, including the sewer system, water system, machinery, and equipment.

	Capital Assets At Year-End	
	<u>2016</u>	<u>2017</u>
Sewer System	\$ 1,401,595	\$ 1,401,595
Water System	1,685,300	1,685,300
Accumulated Depreciation	(1,567,744)	(1,638,912)
Total Net Position	<u>\$ 1,519,151</u>	<u>\$ 1,447,983</u>

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, 2017

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$ 39,201	\$ 14,016	\$ 53,217
Receivables, Net	37,507	14,948	52,455
Restricted Assets	-0-	15,125	15,125
Capital Assets (Net of Accumulated Depreciation)	774,556	1,447,983	2,222,539
TOTAL ASSETS	851,264	1,492,072	2,343,336
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	13,348	4,680	18,028
TOTAL CURRENT LIABILITIES	13,348	4,680	18,028
NON-CURRENT LIABILITIES			
Customer Deposits	-0-	15,125	15,125
TOTAL NON-CURRENT LIABILITIES	-0-	15,125	15,125
TOTAL LIABILITIES	13,348	19,805	33,153
NET POSITION			
Net Investment in Capital Assets	774,556	1,447,983	2,222,539
Unrestricted	63,360	24,284	87,644
TOTAL NET POSITION	\$ 837,916	\$ 1,472,267	\$ 2,310,183

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana
Statement of Activities
For the Year Ended June 30, 2017**

	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	\$ (593,703)	\$ 18,876	\$ 12,500	\$ (562,327)	\$ (562,327)		\$ (562,327)
Police	(58,006)	-0-	-0-	(58,006)	(58,006)		(58,006)
Total Governmental Activities	<u>(651,709)</u>	<u>18,876</u>	<u>12,500</u>	<u>(620,333)</u>	<u>(620,333)</u>		<u>(620,333)</u>
Business Type Activities							
Sewer	(70,810)	33,638	-0-	(37,172)		\$ (37,172)	(37,172)
Water	(109,891)	43,391	-0-	(66,500)		(66,500)	(66,500)
Total Business Type Activities	<u>(180,701)</u>	<u>77,029</u>	<u>-0-</u>	<u>(103,672)</u>		<u>(103,672)</u>	<u>(103,672)</u>
Total Primary Government	<u>\$ (832,410)</u>	<u>\$ 95,905</u>	<u>\$ 12,500</u>	<u>\$ (724,005)</u>			<u>(724,005)</u>
			General Revenues				
			Fines		522,324	-0-	522,324
			Taxes		6,781	42,302	49,083
			Other		17,953	3,633	21,586
			Transfers In (Out)		-0-	-0-	-0-
			Total General Revenues		<u>547,058</u>	<u>45,935</u>	<u>592,993</u>
			Change in Net Position		(73,275)	(57,737)	(131,012)
			Net Position - Beginning		911,191	1,530,004	2,443,195
			Net Position - Ending		<u>\$ 837,916</u>	<u>\$ 1,472,267</u>	<u>\$ 2,310,183</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Balance Sheet
Governmental Funds
June 30, 2017

		<u>GENERAL FUND</u>
ASSETS		
Cash	\$	39,201
Receivables		37,507
TOTAL ASSETS		<u>76,708</u>
 LIABILITIES		
Accounts, Salaries, & Other Payables		13,348
TOTAL LIABILITIES		<u>13,348</u>
 FUND BALANCES		
Unassigned		63,360
TOTAL LIABILITIES & FUND BALANCE	\$	<u>76,708</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, 2017

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 63,360
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	774,556
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>-0-</u>
Net Position of Governmental Activities (Statement A)	<u>\$ 837,916</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, 2017**

	<u>GENERAL</u>
REVENUES	
Fines	\$ 522,324
Fees & Charges	18,876
Taxes	6,781
Post Office Lease	4,842
Intergovernmental – Capital Grants	12,500
Other	13,111
TOTAL REVENUES	<u>578,434</u>
EXPENDITURES	
Personnel Expense	345,406
Police Expense	58,006
Other Operating	196,713
Capital Outlay	29,148
TOTAL EXPENDITURES	<u>629,273</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(50,839)</u>
OTHER FINANCING SOURCES (USES)	
Transfers In (Out)	<u>-0-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-0-</u>
NET CHANGE IN FUND BALANCE	(50,839)
FUND BALANCES--BEGINNING	<u>114,199</u>
FUND BALANCES--ENDING	<u>\$ 63,360</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, 2017

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

Net Change in Fund Balances, Total Governmental Funds, Statement E		\$	(50,839)
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	29,148	
	Depreciation Exp	<u>(51,584)</u>	(22,436)
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	<u>-0-</u>	-0-
Changes in Net Position of Governmental Activities, Statement B		\$	<u>(73,275)</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Statement of Net Position
Proprietary Funds
June 30, 2017

	BUSINESS TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 9,391	\$ 4,625	\$ 14,016
Receivables, Net	8,272	6,676	14,948
TOTAL CURRENT ASSETS	<u>17,663</u>	<u>11,301</u>	<u>28,964</u>
NON-CURRENT ASSETS			
Restricted Assets	-0-	15,125	15,125
Capital Assets (Net of Accumulated Depreciation)	652,795	795,188	1,447,983
TOTAL NON-CURRENT ASSETS	<u>652,795</u>	<u>810,313</u>	<u>1,463,108</u>
TOTAL ASSETS	<u>670,458</u>	<u>821,614</u>	<u>1,492,072</u>
CURRENT LIABILITIES			
Accounts, Salaries, & Other Payables	1,166	3,514	4,680
TOTAL CURRENT LIABILITIES	<u>1,166</u>	<u>3,514</u>	<u>4,680</u>
NON-CURRENT LIABILITIES			
Customer Deposits	-0-	15,125	15,125
TOTAL NON-CURRENT LIABILITIES	<u>-0-</u>	<u>15,125</u>	<u>15,125</u>
TOTAL LIABILITIES	<u>1,166</u>	<u>18,639</u>	<u>19,805</u>
NET POSITION			
Net Investment in Capital Assets	652,795	795,188	1,447,983
Unrestricted	16,497	7,787	24,284
TOTAL NET POSITION	<u>\$ 669,292</u>	<u>\$ 802,975</u>	<u>\$ 1,472,267</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, 2017

	BUSINESS TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL
OPERATING REVENUES			
Water Sales	\$ -0-	\$ 43,391	\$ 43,391
Sewer Charges	33,638	-0-	33,638
Sales Tax	21,151	21,151	42,302
Other	-0-	3,633	3,633
TOTAL OPERATING REVENUES	<u>54,789</u>	<u>68,175</u>	<u>122,964</u>
OPERATING EXPENSES			
Administration	18,632	9,072	27,704
Operations	21,754	60,076	81,830
Depreciation	30,424	40,743	71,167
TOTAL OPERATING EXPENSES	<u>70,810</u>	<u>109,891</u>	<u>180,701</u>
OPERATING INCOME (LOSS)	<u>(16,021)</u>	<u>(41,716)</u>	<u>(57,737)</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	(16,021)	(41,716)	(57,737)
OTHER FINANCING SOURCES (USES)			
Transfers In/(Out)	(5,990)	5,990	-0-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,990)</u>	<u>5,990</u>	<u>-0-</u>
CHANGE IN NET POSITION	(22,011)	(35,726)	(57,737)
TOTAL NET POSITION – BEGINNING	691,303	838,701	1,530,004
TOTAL NET POSITION – ENDING	<u>\$ 669,292</u>	<u>\$ 802,975</u>	<u>\$ 1,472,267</u>

The accompanying notes are an integral part of this statement.

Village of Georgetown, Louisiana
Statement of Cash Flows
Proprietary Funds
June 30, 2017

	BUSINESS TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 49,989	\$ 66,761	\$ 116,750
Payments to Suppliers/Employees	(39,648)	(69,810)	(109,458)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>10,341</u>	<u>(3,049)</u>	<u>7,292</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In/(Out)	(5,990)	5,990	-0-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(5,990)</u>	<u>5,990</u>	<u>-0-</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	-0-	-0-	-0-
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in Restricted Assets	-0-	(3,609)	(3,609)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-0-</u>	<u>(3,609)</u>	<u>(3,609)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	4,351	(668)	3,683
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,040</u>	<u>5,293</u>	<u>10,333</u>
CASH & CASH EQUIVALENTS, END OF YEAR	<u>9,391</u>	<u>4,625</u>	<u>14,016</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	(16,021)	(41,716)	(57,737)
Depreciation Expense	30,424	40,743	71,167
(Increase) Decrease in Accounts Receivable	(4,800)	(1,414)	(6,214)
Increase (Decrease) in Accounts Payables	738	(662)	76
Increase (Decrease) in Customer Deposits	-0-	-0-	-0-
TOTAL ADJUSTMENTS	<u>26,362</u>	<u>38,667</u>	<u>65,029</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 10,341</u>	<u>\$ (3,049)</u>	<u>\$ 7,292</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.

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

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

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.

The Village has a policy of applying expenses to restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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, 2017, 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:

	<u>Life In Years</u>
Water System	40
Sewer System	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 6-30-2017
Southern Heritage Bank	\$ <u>69,036</u>

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

Description	Market Value
FDIC (<i>Category 1</i>)	\$ 69,036
Securities (<i>Category 2</i>)	-0-
Total	\$ <u>69,036</u>

Deposits were fully secured as of June 30, 2017.

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	\$ 4,713	\$ 4,713	\$ 37,507
Customer	2,061	3,737	-0-
Allowance for Bad Debts	(98)	(178)	-0-
Total A/R, Net	\$ 6,676	\$ 8,272	\$ 37,507

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

I. COMPENSATED ABSENCES

The Village has no compensated absence policy.

(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, 2017, taxes of 8.17 mills were levied against property having a valuation of some \$823,448 which produced some \$6,728 in revenue.

Ad Valorem Taxes are broken down as follows:

	<u>Mills</u>
General Alimony	8.17
Total	<u>8.17</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

Enterprise Fund - Plant & Equipment:

A summary of enterprise fund property, plant, and equipment at June 30, 2017, is as follows:

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

	Balance 6-30-2016	Additions (Deletions)	Balance 6-30-2017
Water			
Distribution System	\$ 1,685,300	\$ -0-	\$ 1,685,300
Accumulated Depreciation	(849,369)	(40,743)	(890,112)
Net	<u>\$ 835,931</u>	<u>\$ (40,743)</u>	<u>\$ 795,188</u>
Sewer			
Plant	\$ 1,401,595	\$ -0-	\$ 1,401,595
Accumulated Depreciation	(718,376)	(30,424)	(748,800)
Net	<u>\$ 683,219</u>	<u>\$ (30,424)</u>	<u>\$ 652,795</u>

Enterprise fund assets are depreciated on the straight-line basis using the following useful lives:

Sewer Plant	40 Years
Water Plant	40 Years
Equipment	5-10 Years

Governmental Fund:

A summary of governmental fund depreciable assets at June 30, 2017, is as follows:

	Balance 6-30-2016	Additions (Deletions)	Balance 6-30-2017
Land *	\$ 8,000	\$ -0-	\$ 8,000
Buildings/Walking Track/Street	942,606	3,648	946,254
Equipment	368,047	25,500	393,547
Accumulated Depreciation	(521,661)	(51,584)	(573,245)
Net	<u>\$ 796,992</u>	<u>\$ (22,436)</u>	<u>\$ 774,556</u>

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

Government fund assets are depreciated on the straight-line basis using the following useful lives:

Equipment	5-10 Years
Walking Track/Street	20 Years
Post Office	40 Years

(5) CHANGES IN LONG-TERM DEBT

The Village had no long-term debt.

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

(6) LITIGATION

The Village of Georgetown is involved in no litigation at June 30, 2017, which is not covered by the Village's applicable insurance policies or is considered to be significant to the Village's financial statements.

(7) 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
Dorothy Self 313 Hwy. 502 Georgetown, LA 71432 (318) 613-1386	Alderman	Jan. 1, 2017 – Dec. 31, 2020	\$ 7,813
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
Charles Nugent 437 Hwy 502 Georgetown, LA 71432 (318) 419-2769	Police Chief	Jan. 1, 2017– Dec. 31, 2020	\$ 46,800

(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.

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

(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) 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 thereafter

(12) UTILITY RELOCATION ASSISTANCE FUNDING (URAF)

Chapter 3 § 301(c) of the Louisiana Administrative Code states that “URAF funding is neither a loan nor a grant and there is no interest charged on this money. However, the utility must repay this money eventually, or it will not be allowed to locate its facilities within highway right-of-way”.

This transaction, occurring in the 2008 fiscal year, was recorded as a capital grant and capitalized as fixed assets (Utility Relocation) in the enterprise fund in 2008.

VILLAGE OF GEORGETOWN, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

(13) 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:

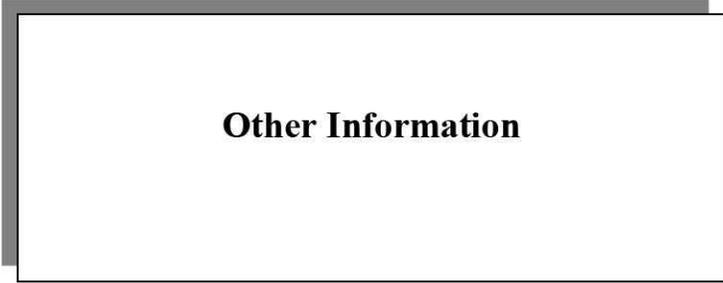
1. Georgetown agrees to construct, at its own expense, a High Flow Connection to tie its water system to Redhill. Construction will commence after the signing of this contract.
2. This contract shall be for a term of five (5) years which shall commence on the date that the construction referenced above 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, 2017

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Fines	\$ 591,500	\$ 500,000	\$ 522,324	\$ 22,324
Grant	-0-	12,500	12,500	-0-
Fees & Charges	15,000	6,000	18,876	12,876
Taxes	-0-	-0-	6,781	6,781
Post Office Lease	-0-	-0-	4,842	4,842
Other	15,000	20,000	13,111	(6,889)
TOTAL REVENUES	621,500	538,500	578,434	39,934
EXPENDITURES				
Personnel Expense	370,000	366,799	345,406	21,393
Police Expense	18,000	25,000	58,006	(33,006)
Other Operating	216,500	225,900	196,713	29,187
Capital Outlay	17,000	35,000	29,148	5,852
Debt Service	-0-	-0-	-0-	-0-
TOTAL EXPENDITURES	621,500	652,699	629,273	23,426
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -0-	\$ (114,199)	(50,839)	\$ 63,360
OTHER FINANCING SOURCES (USES)				
Interest Income				
Transfers In (Out)			-0-	
TOTAL OTHER FINANCING SOURCES (USES)			-0-	
NET CHANGE IN FUND BALANCE			(50,839)	
FUND BALANCES--BEGINNING			114,199	
FUND BALANCES--ENDING			\$ 63,360	

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, 2017

Honorable Danny Olden, Mayor

Purpose	Amount
Salary	\$ 8,760
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	1,500
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.

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 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, as of and for the year ended June 30, 2017, 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 September 29, 2017.

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

September 29, 2017
Jena, Louisiana

VILLAGE OF GEORGETOWN, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2017

We have audited the basic financial statements of the Village of Georgetown, Louisiana, as of and for the year ended June 30, 2017, and have issued our report thereon dated September 29, 2017. 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, 2017, resulted in an unmodified opinion.

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

Internal Control

Material Weaknesses [] Yes [X] No Significant Deficiencies [] Yes [X] No

Compliance

Compliance Material to Financial Statements [] Yes [X] 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, 2017

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, 2016.

PRIOR YEAR FINDINGS

2016-1 Compliance with Local Government Budget Act (Resolved)

Condition: The village examined and approved the budget but did not adopt by ordinance, as required by law.

Criteria: The State Budget Act requires that Lawrason Act Municipalities adopt budgets by ordinance. (R.S. 39:1305(D), (R.S.) 33:406(A)(A3))

Cause of Condition: A budget not adopted by ordinance.

Effect of Condition: The village violated the Budget Act.

Recommendation: The village should prepare an annual budget every fiscal year and bring the budget before the board for adoption by ordinance.

Client Response and Corrective Action: The village will prepare an annual budget each fiscal year and bring the budget before the board for adoption by ordinance.

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Certified Public Accountants

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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, 2016- June 30, 2017

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, 2016 through June 30, 2017. 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 the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - 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*, including receiving, recording, and preparing deposits
 - 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, and (5) monitoring card usage
 - 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. Note: Ethics requirements are not applicable to nonprofits.
 - j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Observation: We obtained a copy of the written policies and procedures manual and read it for the above items.

Exception: The policy and procedures manual did not address debt service and receipts. Also, Ethics did not include the prohibitions as defined in Louisiana Revised Statute 42:1111-1121.

Management's Response: The Village will add debt service and receipts to its policy and procedure manual and update its ethics policy to include the prohibitions defined in Louisiana Revised Statute 42:1111-1121.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Observation:

- A) **We read the minutes of the council meeting and found the council meets monthly.**
- B) **Budget-to-actual comparisons are not presented each month.**
- C) **Minutes included non-budgetary financial information such as contract approvals and disbursement approvals.**

Exception: Budget-to-actual comparisons are not presented each month.

Management's Response: Due to the small size of the entity and lack of large transactions, the Village only reviews and revises the budget when large unexpected transactions occur.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Observation: We obtained a listing of bank accounts on bank confirmations and management signed the confirmations to represent the listings were complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Observation: We obtained a listing of bank accounts on bank confirmations and management signed the confirmations to represent the listings were complete.

- A) Bank reconciliations are prepared for all bank accounts that have activity.**
- B) Bank statements are received by a clerk that reconciles the statement. The police clerk reviews the reconciliation each month.**
- C) Inquiry found the Village reviews old outstanding items after annual audit.**

Exception: The Village had checking accounts that are not reconciled monthly and are not included in accounting software. Also, the Mayor or Board members do not review reconciliations monthly.

Management's Response: The Village will add the accounts in the accounting software and reconcile accounts monthly or close accounts no longer needed. The Mayor will periodically check that all bank reconciliations are being prepared appropriately.

Collections

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

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

- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.*

For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Observation:

A) We found that 1) all employees are bonded, 2) the municipal and police clerk are responsible for depositing cash in the bank and 3) the Village has a register for each clerk.

Exception: The Clerk that makes deposits also records/reconciles records.

Management's Response: The Village does not accept cash and due to the small size of the entity the same employees make deposits and record/reconcile records.

B) The Village has a formal process of reconciling collections to general ledger but it is by a person who is responsible for collections.

Exception: The Clerk that makes deposits also records/reconciles records.

Management's Response: The Village does not accept cash and due to the small size of the entity, the same employees make deposits and record/reconcile records.

C) We traced daily collections to the deposit date on the corresponding bank statement and deposits were made at least once a week.

Exception: Deposits not made daily.

Management's Response: Due to the lack of collections, the Village can't justify making daily deposits.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Observation: The Village does not have written documentation, such as a policy manual or written procedures, to determine completeness of all collections. The Village does have a process specifically designed to determine completeness of collections, which include receipt books and reconciliations of funds.

Exception: No written documentation (e.g. policy manual, written procedure) for the Village's process defined to determine completeness of all collections.

Managements Response: The Village will create a policy or written procedure to determine completeness of all collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Observation: We obtained a general ledger from the Village and management's representation that the general ledger population is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Observation: We randomly selected 25 disbursements and obtained supporting documentation of the following:

- A) Purchases were initiated using a purchase order system.**
- B) Purchase orders are approved by a person not initiating the purchase.**
- C) Purchases are not processed without an approved invoice.**

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Observation: Inquiry found that the person responsible for processing payments is not prohibited from adding vendors to the Village's purchasing/disbursement system.

Exception: The Clerk is responsible for processing payments and adds vendors to the entity's purchasing/disbursement system.

Management's Response: Mayor and Board approves all purchases and dual signature are required on all checks.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Observation: The mayor and council have the final authorization for disbursements and have no responsibility for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any

exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Observation: Inquiry and observation found that unused checks are locked in a secure location.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Observation: Not applicable.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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: Management provided a listing of all (cards) and management's representation that the list is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Observation: The Village has two debit cards.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, 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) Report whether finance charges and/or late fees were assessed on the selected statements.

Observation: We obtained the highest monthly statements and tested it for the following:

A) The Mayor verbally authorized transactions and no approval in writing.

Exception: No approval or reviewal of debit transactions in writing.

Management's Response: Mayor and/or Board Member will approve and review debit transactions in writing.

B) There were no finance charges/late fees on the statement.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Observation: We tested the highest month statements for the following:

- A) Itemized receipt and documentation of the business purpose.**
- B) Compared each transaction with the Village's written purchasing/disbursement policies and the Louisiana Public Bid Law.**
- C) Documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution.**

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Observation: Management provided a general ledger and management's representation that the general ledger is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Observation: We obtained the Village's written policies relating to travel and related expense reimbursements and compared it to the per diem and mileage rates established by the U.S. General Services Administration.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Observation: We selected three persons who incurred the most travel cost during the fiscal period and chose the largest travel expense for each person.

- A) We compared to written policies and found it to be correct.
- B) Each expense is supported by documentation stating the purpose and a receipt where applicable.
- C) Compared documentation of the business purposes to the requirements of Article 7, Section 14 of Louisiana Constitution and found no exceptions.
- D) Each expense was approved by the Mayor which signs all checks which constitutes approval in writing.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Observation: We obtained a general ledger from management and management's representation that the general ledger is complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
 - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Observation: We found that the Village had no contracts during the fiscal year.

- A) Not Applicable
- B) Not Applicable
- C) Not Applicable
- D) Not Applicable

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Observation: Management provided a listing of employees with their related salaries and managements representations that the listing is complete. We randomly selected 5 employees and tested as follows:

- A) There was no employment contract and no documented pay rate structure.
- B) There is no written policy but all raises were approved at board meeting and documented in the minutes.

Exception: The Village does not have written documentation of employment contracts and pay rates in employee's personnel files.

Management's Response: The Village will create employment contracts with pay rates in the employee's personnel files which will be signed by the employee.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether 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.)
- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Observation: We tested 6 (one-third of employees) employee's personnel files for the following:

A) All selected employees/officials documented their daily attendance and leave except for one.

Exception: One employee does not document their daily attendance.

Management's Response: The Village will begin documenting all employees' daily attendance.

B) No employees had written approval for attendance and leave.

Exception: No written approval for leave.

Management's Response: Mayor verbally authorizes any days off and it is documented by clerk on leave records. The Village will begin to document written approval for leave.

C) Written documentation was maintained on all employees with the exception of elected officials.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Observation: The Village had 3 employees terminate during the fiscal year and accrued leave was documented and approved by management.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Observation: We reviewed forms 941 and the general ledger accrual accounts and found no delinquent payments.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Observation: All employees had documentation of ethics compliance.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Observation: Inquiry found no alleged ethics violations reported to the Village during the fiscal year.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Observation: Not applicable

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Observation: Not Applicable

30. If the entity had tax mileages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any mileages that continue to be received for debt that has been paid off.

Observation: Not applicable

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Observation: Inquiry found no reported misappropriations of public funds.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Observation: The Village has the notice posted on its’ premises.

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

September 29, 2017