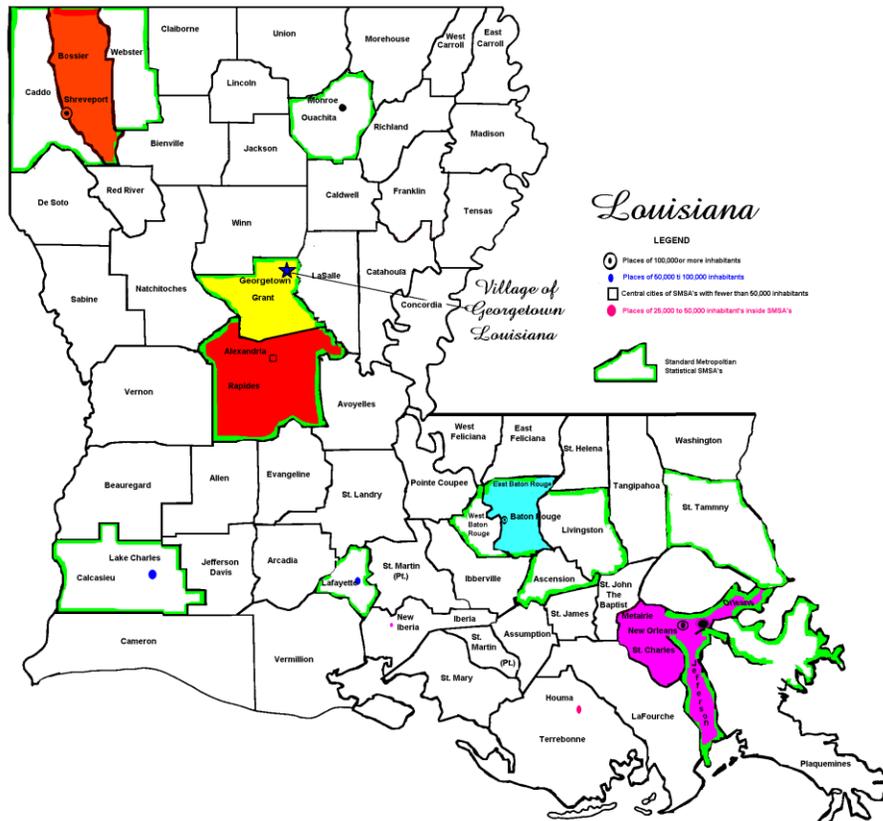


**VILLAGE OF GEORGETOWN, LOUISIANA**

**Annual Financial Statements**

**June 30, 2023**

# 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.

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**June 30, 2023**

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### MEMBERS

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Certified Fraud Examiners

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Village of Georgetown, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Georgetown's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Village of Georgetown, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor’s Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Emphasis of Matter**

As disclosed in the schedules and statements, the total net pension liability for the Village of Georgetown’s Retirement Plan was \$93,335 as of June 30, 2023. The actuarial valuation was based on various assumptions made by the actuaries. Because actual experience may differ from the assumptions used in the actuarial valuations, there is a risk that the net pension liability at June 30, 2023, could be under or overstated.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, the schedules of the Village’s proportionate share of the net pension liability and, the schedules of the Village’s contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an

essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2023, on our consideration of the Village of Georgetown's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Georgetown's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Georgetown's internal control over financial reporting and compliance.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated October 20, 2023, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*The Vercher Group*

Jena, Louisiana  
October 20, 2023

# Village of Georgetown

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2023. 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 \$741,236 (*net position*). This is a \$42,652 increase from last year.
- The Village had total revenue of \$742,392. This is a \$94,429 increase from last year's revenues, mainly due to an increase in fines in the amount of \$86,697.
- The Village had total expenditures of \$600,641, which is a \$23,090 decrease from last year, mainly due to a decrease in general expenses in the amount of \$18,539.

#### *Enterprise Fund*

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$1,677,436 (*net position*). This is a \$120,578 decrease from last year.
- The Village had total revenue of \$219,590. This is a \$9,692 increase from last year due to an increase in sales tax in the amount of \$11,083.
- The Village had total expenses of \$354,917 in which \$99,134 was for depreciation, which is a non-cash transaction. This is a \$80,042 increase in total expenses from last year.

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## MD&A

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### 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, 2023:

<b>Assets</b>	<b>2022</b>	<b>2023</b>	<b>% Change</b>
Cash & Investments	\$ 71,717	\$ 170,610	137.9
Receivables, Net	41,337	73,073	76.8
Capital Assets, Net of Accumulated Depreciation	653,714	604,357	-7.6
<b>Total Assets</b>	<b>766,768</b>	<b>848,040</b>	10.6
<b>Deferred Outflow of Resources</b>	-0-	50,471	100.0
<b>Liabilities</b>			
Accounts, Salaries, & Other Payables	15,012	20,639	37.5
Current Notes Payable	11,326	11,326	0.0
Non-Current Notes Payable	41,846	123,855	196.0
<b>Total Liabilities</b>	<b>68,184</b>	<b>155,820</b>	128.5
<b>Deferred Inflows of Resources</b>	-0-	(1,455)	-100.0
<b>Net Position</b>			
Net Investment in Capital Assets	600,542	562,511	-6.3
Unrestricted	98,042	178,725	82.3
<b>Total Net Position</b>	<b>\$ 698,584</b>	<b>\$ 741,236</b>	6.1

### 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, 2023:

<b>REVENUES</b>	<b>2022</b>	<b>2023</b>	<b>% Change</b>
Fines	\$ 532,262	\$ 618,959	16.3
Fees & Charges	33,666	32,973	-2.1
Ad Valorem Taxes	6,786	7,277	7.2
Rental	4,927	2,050	-58.4
Intergovernmental – Capital Grants	59,176	59,273	0.2
Other	11,146	21,860	96.1
<b>TOTAL REVENUES</b>	<b>647,963</b>	<b>742,392</b>	14.6
<b>EXPENDITURES</b>			
General Expense	524,218	505,679	-3.5
Police Expense	85,365	77,234	-9.5
Debt Service	14,148	14,038	-0.8
Capital Outlay	-0-	3,690	100.0
<b>TOTAL EXPENDITURES</b>	<b>623,731</b>	<b>600,641</b>	-3.7
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>24,232</b>	<b>141,751</b>	485.0
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan Proceeds	-0-	-0-	0.0
Transfers In (Out)	(36,845)	(16,750)	54.5
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(36,845)</b>	<b>(16,750)</b>	54.5
<b>NET CHANGE IN FUND BALANCE</b>	<b>(12,613)</b>	<b>125,001</b>	1091.0
<b>FUND BALANCES--BEGINNING</b>	<b>110,655</b>	<b>98,043</b>	-11.4
<b>FUND BALANCES--ENDING</b>	<b>\$ 98,043</b>	<b>\$ 223,044</b>	127.5

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## MD&A

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### ENTERPRISE FUND

### Comparative Statement of Net Position

The following table represents the Comparative Statement of Net Position as of June 30, 2023:

<b>CURRENT ASSETS</b>	<b>2022</b>	<b>2023</b>	<b>% Change</b>
Cash & Cash Equivalents	\$ 49,888	\$ 21,638	-56.6
Receivables, Net	25,998	17,300	-33.5
<b>TOTAL CURRENT ASSETS</b>	<u>75,886</u>	<u>38,938</u>	-48.7
 <b>NON-CURRENT ASSETS</b>			
Restricted Assets	25,163	28,489	13.2
Capital Assets (Net of Accumulated Depreciation)	1,923,215	1,824,081	-5.2
<b>TOTAL NON-CURRENT ASSETS</b>	<u>1,948,378</u>	<u>1,852,570</u>	-4.9
 <b>TOTAL ASSETS</b>	<u>2,024,264</u>	<u>1,891,508</u>	-6.6
 <b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	9,486	8,108	-14.5
Current Notes Payable	12,000	12,000	0.0
<b>TOTAL CURRENT LIABILITIES</b>	<u>21,486</u>	<u>20,108</u>	-6.4
 <b>NON-CURRENT LIABILITIES</b>			
Customer Deposits	12,264	13,464	9.8
Non-Current Notes Payable	192,500	180,500	-6.2
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>204,764</u>	<u>193,964</u>	-5.3
 <b>TOTAL LIABILITIES</b>	<u>226,250</u>	<u>214,072</u>	-5.4
 <b>NET POSITION</b>			
Net Investment in Capital Assets	1,718,705	1,631,581	-5.1
Unrestricted	79,299	45,855	-42.2
<b>TOTAL NET POSITION</b>	<u>\$ 1,798,004</u>	<u>\$ 1,677,436</u>	-6.7

## MD&A

### Comparative Changes in Net Position

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2023:

OPERATING REVENUES	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Water Sales	\$ 78,672	\$ 77,318	-1.7
Sewer Charges	50,791	53,150	4.6
Sales Tax	77,460	88,543	14.3
Other	2,975	579	-80.5
<b>TOTAL OPERATING REVENUES</b>	<u>209,898</u>	<u>219,590</u>	4.6
OPERATING EXPENSES			
Administration	15,003	5,781	-61.5
Operating	162,585	250,003	53.8
Depreciation	97,287	99,134	1.9
<b>TOTAL OPERATING EXPENSES</b>	<u>274,875</u>	<u>354,918</u>	29.1
<b>OPERATING INCOME (LOSS)</b>	<u>(64,977)</u>	<u>(135,328)</u>	-108.3
NON-OPERATING REVENUES (EXPENSES)			
Interest Expense	(2,057)	(2,000)	2.8
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(2,057)</u>	<u>(2,000)</u>	2.8
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	<u>(67,034)</u>	<u>(137,328)</u>	-104.9
OTHER FINANCING SOURCES (USES)			
Transfers In/(Out)	36,845	16,750	-54.5
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>36,845</u>	<u>16,750</u>	-54.5
<b>CAPITAL CONTRIBUTIONS</b>	-0-	-0-	0.0
<b>CHANGE IN NET POSITION</b>	(30,189)	(120,578)	-270.6
<b>TOTAL NET POSITION – BEGINNING</b>	1,828,203	1,798,014	-1.7
<b>TOTAL NET POSITION – ENDING</b>	<u>\$ 1,798,014</u>	<u>\$ 1,677,436</u>	-6.7

### CAPITAL ASSETS & LONG-TERM DEBT

#### *Capital Assets – Governmental Fund*

At June 30, 2023, the Village had \$604,357 invested in capital assets, including land, the walking track, street improvements, police cars, and equipment.

#### Capital Assets At Year-End

	<u>2022</u>	<u>2023</u>
Land *	\$ 8,000	\$ 8,000
Buildings/Walking Track/Street	946,254	949,944
Equipment	505,743	505,743
Accumulated Depreciation	(806,283)	(859,330)
<b>Capital Assets, Net</b>	<u>\$ 653,714</u>	<u>\$ 604,357</u>

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

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## MD&A

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### *Capital Assets – Enterprise Fund*

At June 30, 2023, the Village had \$1,823,658 invested in capital assets, including the sewer system, water system, machinery, and equipment.

<b>Capital Assets At Year-End</b>			
	<u>2022</u>		<u>2023</u>
Sewer System	\$ 2,182,515	\$	2,221,710
Water System	1,744,574		1,744,574
Construction in Progress	-0-		-0-
Accumulated Depreciation	(2,003,874)		(2,142,203)
<b>Capital Assets, Net</b>	<u>\$ 1,923,215</u>	<u>\$</u>	<u>1,824,081</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, 2023.

	<u>Balance 6-30-2022</u>	<u>Additions</u>	<u>Principal Paid</u>	<u>Balance 6-30-2023</u>
Police Auto Lease	\$ 53,172	\$ -0-	\$ (11,326)	\$ 41,846
Utility Revenue Bond – Series 2017	204,500	-0-	(12,000)	192,500
<b>Total</b>	<u>\$ 257,672</u>	<u>\$ -0-</u>	<u>\$ (23,326)</u>	<u>\$ 234,346</u>

Bond and lease payable at June 30, 2023, are comprised of the following issues:

#### *Police Auto Lease (General Fund)*

\$64,252 lease purchase with Government Capital starting 07/02/2021. Due in monthly installments of \$1,166 with an interest rate of 3.39% for 60 months. 41,846

#### *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%. 192,500

**Total** \$ 234,346

### **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, 2023**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS- TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 170,610	\$ 21,638	\$ 192,248
Receivables, Net	73,073	17,300	90,373
Restricted Assets	-0-	28,489	28,489
Capital Assets (Net of Accumulated Depreciation)	604,357	1,824,081	2,428,438
<b>TOTAL ASSETS</b>	<b>848,040</b>	<b>1,891,508</b>	<b>2,739,548</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows-Municipal Police Pension	50,471	-0-	50,471
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>50,471</b>	<b>-0-</b>	<b>50,471</b>
<b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	20,639	8,108	28,747
Current Notes Payable	11,326	12,000	23,326
<b>TOTAL CURRENT LIABILITIES</b>	<b>31,965</b>	<b>20,108</b>	<b>52,073</b>
<b>NON-CURRENT LIABILITIES</b>			
Customer Deposits	-0-	13,464	13,464
Net Pension Liability	93,335	-0-	93,335
Non-Current Notes Payable	30,520	180,500	211,020
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>123,855</b>	<b>193,964</b>	<b>317,819</b>
<b>TOTAL LIABILITIES</b>	<b>155,820</b>	<b>214,072</b>	<b>369,892</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows-Municipal Police Pension	1,455	-0-	1,455
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,455</b>	<b>-0-</b>	<b>1,455</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	562,511	1,631,581	2,194,092
Unrestricted	178,725	45,855	224,580
<b>TOTAL NET POSITION</b>	<b>\$ 741,236</b>	<b>\$ 1,677,436</b>	<b>\$ 2,418,672</b>

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana  
Statement of Activities  
For the Year Ended June 30, 2023**

	<u>PROGRAM REVENUES</u>				<u>NET REVENUES (EXPENSES) &amp; CHANGES OF PRIMARY GOVERNMENT</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants &amp; Contributions</u>	<u>Net Revenue (Expense)</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
<b>Governmental Activities</b>							
General	\$ (530,688)	\$ -0-	\$ 59,273	\$ (471,415)	\$ (471,415)		\$ (471,415)
Police	(141,722)	-0-	-0-	(141,722)	(141,722)		(141,722)
<b>Total Governmental Activities</b>	<u>(672,410)</u>	<u>-0-</u>	<u>59,273</u>	<u>(613,137)</u>	<u>(613,137)</u>		<u>(613,137)</u>
<b>Business Type Activities</b>							
Sewer	(145,363)	53,150	-0-	(92,213)		\$ (92,213)	(92,213)
Water	(209,554)	106,985	-0-	(102,569)		(102,569)	(102,569)
Interest Expense	(2,000)	-0-	-0-	(2,000)		(2,000)	(2,000)
<b>Total Business Type Activities</b>	<u>(356,917)</u>	<u>160,135</u>	<u>-0-</u>	<u>(196,782)</u>		<u>(196,782)</u>	<u>(196,782)</u>
<b>Total Primary Government</b>	\$ <u>(1,029,327)</u>	\$ <u>160,135</u>	\$ <u>59,273</u>	\$ <u>(809,919)</u>			<u>(809,919)</u>
			<b>General Revenues</b>				
			Fines		618,958	-0-	618,958
			Taxes:				
			Ad valorem Taxes		7,277	-0-	7,277
			Sales Tax		-0-	77,875	77,875
			Other		37,883	579	38,462
			Loan Proceeds		-0-	-0-	-0-
			Transfers In (Out)		2,250	(2,250)	-0-
			<b>Total General Revenues</b>		<u>666,368</u>	<u>76,204</u>	<u>742,572</u>
			<b>Change in Net Position</b>		53,231	(120,578)	(67,347)
			<b>Prior Period Adjustment</b>		(10,579)	-0-	(10,579)
			<b>Net Position - Beginning</b>		<u>698,584</u>	<u>1,798,014</u>	<u>2,496,598</u>
			<b>Net Position - Ending</b>		\$ <u>741,236</u>	<u>1,677,436</u>	<u>2,418,672</u>

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana  
Balance Sheet  
Governmental Funds  
June 30, 2023**

	<b>GENERAL FUND</b>
<b>ASSETS</b>	
Cash	\$ 170,610
Receivables	73,073
<b>TOTAL ASSETS</b>	243,683
 <b>LIABILITIES</b>	
Accounts, Salaries, & Other Payables	20,639
<b>TOTAL LIABILITIES</b>	20,639
 <b>FUND BALANCES</b>	
Unassigned	223,044
 <b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	\$ 243,683

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, 2023**

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

Fund Balance, Total Governmental Funds (Statement C)		\$ 223,044
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		604,357
Deferred outflows and inflows are not financial resources or currently payable.		
	Deferred Outflows	50,471
	Deferred Inflows	<u>(1,455)</u>
		49,016
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	Net Pension Liability	(93,335)
Other		<u>(41,846)</u>
Net Position of Governmental Activities (Statement A)		<u>\$ 741,236</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, 2023**

	<b>GENERAL</b>
<b>REVENUES</b>	
Fines	\$ 618,959
Fees & Charges	32,973
Ad Valorem Taxes	7,277
Rental	2,050
Intergovernmental – Grants	59,273
Other	21,860
<b>TOTAL REVENUES</b>	<b>742,392</b>
<b>EXPENDITURES</b>	
General Expense	505,679
Police Expense	77,234
Debt Service	14,038
Capital Outlay	3,690
<b>TOTAL EXPENDITURES</b>	<b>600,641</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>141,751</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Loan Proceeds	-0-
Transfers In (Out)	(16,750)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(16,750)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>125,001</b>
<b>FUND BALANCES--BEGINNING</b>	<b>98,043</b>
<b>FUND BALANCES--ENDING</b>	<b>\$ 223,044</b>

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, 2023**

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

Net Change in Fund Balances, Total Governmental Funds, Statement E		\$ 125,001
<p>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.</p>		
	Capital Purchases	3,690
	Depreciation Exp	<u>(53,047)</u>
		(49,357)
<p>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.</p>		
	Loan Proceeds	-0-
	Principal Paid	<u>11,327</u>
		11,327
<p>Net pension is reported in governmental funds as expenditure as they are paid; however, in the statement of activities the net pension expense is reported according to estimates required by GASB 68. This the amount that the pension estimate defers from pension expenses paid in the current year.</p>		
	Net Pension Expense	(35,771)
	Pension Revenue	2,031
		<u>(33,740)</u>
Changes in Net Position of Governmental Activities, Statement B		\$ <u><u>53,231</u></u>

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<b>BUSINESS TYPE ACTIVITIES</b>		
	<b>MAJOR ENTERPRISE FUND</b>		
	<u>SEWER</u>	<u>WATER</u>	<u>TOTAL</u>
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	\$ 11,457	\$ 10,180	\$ 21,637
Receivables, Net	6,462	10,838	17,300
<b>TOTAL CURRENT ASSETS</b>	<u>17,919</u>	<u>21,018</u>	<u>38,937</u>
<b>NON-CURRENT ASSETS</b>			
Restricted Assets	15,227	13,262	28,489
Capital Assets (Net of Accumulated Depreciation)	1,230,699	593,382	1,824,081
<b>TOTAL NON-CURRENT ASSETS</b>	<u>1,245,926</u>	<u>606,644</u>	<u>1,852,570</u>
<b>TOTAL ASSETS</b>	<u>1,263,845</u>	<u>627,662</u>	<u>1,891,507</u>
<b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	2,787	5,321	8,108
Current Notes Payable	12,000	-0-	12,000
<b>TOTAL CURRENT LIABILITIES</b>	<u>14,787</u>	<u>5,321</u>	<u>20,108</u>
<b>NON-CURRENT LIABILITIES</b>			
Customer Deposits	-0-	13,464	13,464
Current Notes Payable	180,500	-0-	180,500
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>180,500</u>	<u>13,464</u>	<u>193,964</u>
<b>TOTAL LIABILITIES</b>	<u>195,287</u>	<u>18,785</u>	<u>214,072</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,038,199	593,382	1,631,581
Unrestricted	30,360	15,495	45,855
<b>TOTAL NET POSITION</b>	<u>\$ 1,068,559</u>	<u>\$ 608,877</u>	<u>\$ 1,677,436</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, 2023**

**BUSINESS TYPE ACTIVITIES**  
**MAJOR ENTERPRISE FUND**

	<u>SEWER</u>	<u>WATER</u>	<u>TOTAL</u>
<b>OPERATING REVENUES</b>			
Sales of Services	\$ 53,150	\$ 77,318	\$ 130,468
Sales Tax	42,836	45,707	88,543
Other	-0-	579	579
<b>TOTAL OPERATING REVENUES</b>	<u>95,986</u>	<u>123,604</u>	<u>219,590</u>
<b>OPERATING EXPENSES</b>			
Administration	4,419	1,362	5,781
Operations	87,326	162,677	250,003
Depreciation	53,619	45,515	99,134
<b>TOTAL OPERATING EXPENSES</b>	<u>145,364</u>	<u>209,554</u>	<u>354,918</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(49,378)</u>	<u>(85,950)</u>	<u>(135,328)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Expense	<u>(2,000)</u>	<u>-0-</u>	<u>(2,000)</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(2,000)</u>	<u>-0-</u>	<u>(2,000)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	(51,378)	(85,950)	(137,328)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In/(Out)	<u>(8,857)</u>	<u>25,607</u>	<u>16,750</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(8,857)</u>	<u>25,607</u>	<u>16,750</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>CHANGE IN NET POSITION</b>	(60,235)	(60,343)	(120,578)
<b>TOTAL NET POSITION – BEGINNING</b>	1,128,794	669,220	1,798,014
<b>TOTAL NET POSITION – ENDING</b>	<u>\$ 1,068,559</u>	<u>\$ 608,877</u>	<u>\$ 1,677,436</u>

The accompanying notes are an integral part of this statement.

**Village of Georgetown, Louisiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**June 30, 2023**

	<b>BUSINESS TYPE ACTIVITIES</b>		
	<b>MAJOR ENTERPRISE FUND</b>		
	<u>SEWER</u>	<u>WATER</u>	<u>TOTAL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 95,069	\$ 127,142	\$ 222,211
Payments to Suppliers/Employees	(86,585)	(163,300)	(249,885)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>8,484</u>	<u>(36,158)</u>	<u>(27,674)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In/(Out)	(8,857)	25,607	16,750
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(8,857)</u>	<u>25,607</u>	<u>16,750</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>			
Capital Grant	-0-	-0-	-0-
Purchase of Capital Assets	-0-	-0-	-0-
Increase (Decrease) in Bonds Payable	(12,000)	-0-	(12,000)
Interest Paid on Bonds	(2,000)	-0-	(2,000)
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<u>(14,000)</u>	<u>-0-</u>	<u>(14,000)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Change in Restricted Assets	(2,553)	(773)	(3,326)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(2,553)</u>	<u>(773)</u>	<u>(3,326)</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	(16,926)	(11,324)	(28,250)
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>28,383</u>	<u>21,504</u>	<u>49,887</u>
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>	<u>11,457</u>	<u>10,180</u>	<u>21,637</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	(49,378)	(85,950)	(135,328)
Depreciation Expense	53,619	45,515	99,134
(Increase) Decrease in Accounts Receivable	5,160	3,537	8,697
Increase (Decrease) in Accounts Payables	(917)	(460)	(1,377)
Increase (Decrease) in Customer Deposits	-0-	1,200	1,200
<b>TOTAL ADJUSTMENTS</b>	<u>57,862</u>	<u>49,792</u>	<u>107,654</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 8,484</u>	<u>\$ (36,158)</u>	<u>\$ (27,674)</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic  
Financial Statements**

## VILLAGE OF GEORGETOWN, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### **(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

The following is a summary of certain significant accounting policies:

#### **A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS**

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

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

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

## VILLAGE OF GEORGETOWN, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

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

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

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

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

The municipality reports the following major governmental fund:

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

The municipality reports the following major proprietary fund:

- Enterprise Fund
  - Water Activities
  - Sewer Activities

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

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

## VILLAGE OF GEORGETOWN, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

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

#### C. EQUITY CLASSIFICATIONS

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

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

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

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

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

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

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

## VILLAGE OF GEORGETOWN, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

- d. for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- e. 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;
- f. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

#### **D. BUDGETARY PRACTICES**

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

#### **E. CASH & CASH EQUIVALENTS**

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

#### **F. INVENTORIES**

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

#### **G. RECEIVABLES & PAYABLES**

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

#### **H. RESTRICTED ASSETS**

Restricted assets include cash and cash investments in the proprietary funds which are restricted. Restricted assets were applicable to the following at June 30, 2023:

**VILLAGE OF GEORGETOWN, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

	<b>Sewer</b>	<b>Water</b>	<b>Total</b>
Debt Service Fund	\$ 5,294	\$ -0-	\$ 5,294
Depreciation & Contingency Fund	2,715	-0-	2,715
Reserve Fund	7,016	-0-	7,016
Customer Deposits	-0-	13,464	13,464
<b>Total</b>	\$ 15,025	\$ 13,464	\$ 28,489

**I. FIXED ASSETS**

For the year ended June 30, 2023, 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:

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

**J. LONG-TERM OBLIGATIONS**

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

**K. FUND EQUITY**

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

**L. USE OF ESTIMATES**

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

**VILLAGE OF GEORGETOWN, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

**M. NEW ACCOUNTING PRONOUNCEMENT**

In June of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities of leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**(2) CASH, CASH EQUIVALENTS, & INVESTMENTS**

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

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

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

<b>Bank</b>	<b>Bank Balance 6-30-2023</b>
Southern Heritage Bank	\$ <u>239,938</u>

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

<b>Description</b>	<b>Market Value</b>
FDIC ( <i>Category 1</i> )	\$ 250,000
Securities ( <i>Category 2</i> )	95,248
<b>Total</b>	\$ <u>345,248</u>

Deposits were fully secured as of June 30, 2023.

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Village of Georgetown. For the purpose of the proprietary

**VILLAGE OF GEORGETOWN, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

fund Statement of Cash Flows, “Cash and Cash Equivalents” include all demand savings accounts and certificates of deposit under 90 days.

***Custodial Credit Risk***

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

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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

**(3) RECEIVABLES**

The receivables of \$90,373 at June 30, 2023, are as follows:

	<b>Enterprise Fund</b>		<b>Governmental Fund</b>
	<b>Water</b>	<b>Sewer</b>	<b>General Fund</b>
Fines/Fees	\$ -0-	\$ -0-	\$ 71,535
Tax /Franchise	3,137	3,137	1,538
Customer	8,106	3,500	-0-
Allowance for Bad Debts*	(405)	(175)	-0-
<b>Total A/R, Net</b>	<b>\$ 10,838</b>	<b>\$ 6,462</b>	<b>\$ 73,073</b>

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

**(4) AD VALOREM TAXES**

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

**VILLAGE OF GEORGETOWN, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

**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, 2023, taxes of 7.75 mills were levied against property having a valuation of some \$947,499 which produced some \$7,277 in revenue.

Ad Valorem Taxes are broken down as follows:

	<b>Mills</b>
General Alimony	7.75
<b>Total</b>	7.75

**(5) SALES TAX**

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

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

**(6) FIXED ASSETS**

**Governmental Fund:**

A summary of governmental fund depreciable assets at June 30, 2023, is as follows:

	<b>Balance 6-30-2022</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Balance 6-30-2023</b>
Land *	\$ 8,000	\$ -0-	\$ -0-	\$ 8,000
Buildings/Walking Track/Street	946,254	3,690	-0-	949,944
Equipment	505,743	-0-	-0-	505,743
Accumulated Depreciation	(806,283)	(53,047)	-0-	(859,330)
Net	\$ 653,714	\$ (49,357)	\$ -0-	\$ 604,357

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

**VILLAGE OF GEORGETOWN, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

Depreciation expense was charged to governmental functions as follows:

General	\$	37,575
Police		15,472
<b>Total Depreciation</b>	<b>\$</b>	<b>53,047</b>

**Enterprise Fund – Plant & Equipment:**

A summary of enterprise fund property, plant, and equipment at June 30, 2023, is as follows:

	<b>Balance 6-30-2022</b>		<b>Additions</b>		<b>(Deletions)</b>		<b>Balance 6-30-2023</b>
<b>Water</b>							
Distribution System	\$ 1,744,574	\$	-0-	\$	-0-	\$	1,744,574
Accumulated Depreciation	(1,105,677)		(45,515)		-0-		(1,151,192)
<b>Net</b>	<b>\$ 638,897</b>	<b>\$</b>	<b>(45,515)</b>	<b>\$</b>	<b>-0-</b>	<b>\$</b>	<b>593,382</b>
<b>Sewer</b>							
Plant	\$ 2,221,710	\$	-0-	\$	-0-	\$	2,221,710
Construction in Progress	-0-		-0-		-0-		-0-
Accumulated Depreciation	(937,392)		(53,619)		-0-		(991,011)
<b>Net</b>	<b>\$ 1,284,318</b>	<b>\$</b>	<b>(53,619)</b>	<b>\$</b>	<b>-0-</b>	<b>\$</b>	<b>1,230,699</b>

**(7) CHANGES IN LONG-TERM DEBT**

The following is a summary of bonds and lease payable of the Village of Georgetown for the year ended June 30, 2023.

	<b>Balance 6-30-2022</b>		<b>Additions</b>		<b>Principal Paid</b>		<b>Balance 6-30-2023</b>
Police Auto Lease	\$ 53,172	\$	-0-	\$	(11,326)	\$	41,846
Utility Revenue Bond – Series 2017	204,500		-0-		(12,000)		192,500
<b>Total</b>	<b>\$ 257,672</b>	<b>\$</b>	<b>-0-</b>	<b>\$</b>	<b>(23,326)</b>	<b>\$</b>	<b>234,346</b>

Bond and lease payable at June 30, 2023, are comprised of the following issues:

***Police Auto Lease (General Fund)***

\$64,252 lease purchase with Government Capital starting 07/02/2021. Due in monthly installments of \$1,166 with an interest rate of 3.39% for 60 months. 41,846

***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%. 192,500

**Total** **\$ 234,346**

**VILLAGE OF GEORGETOWN, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest payments, are as follows:

<b>Year Ending June 30,</b>	<b>Police Auto</b>	<b>Utility Revenue Bond</b>	<b>Total</b>
2024	\$ 13,988	\$ 13,772	\$ 27,760
2025	13,988	13,658	27,646
2026	13,988	13,544	27,532
2027	1,166	69,933	71,099
2028	-0-	67,850	67,850
2029-2030	-0-	81,981	81,981
<b>Total</b>	<b>\$ 43,130</b>	<b>\$ 192,888</b>	<b>\$ 263,892</b>

As of June 30, 2023, the Village of Georgetown has one issue of sewer revenue bond outstanding. The flow of funds and restrictions on use are governed by the bond indentures and the note resolution, the terms of which are summarized as follows:

- (a) Payment of all reasonable and necessary expenses of operating and maintaining the system.
- (b) Each month there will be set aside into a fund called the "Debt Service Fund" an amount constituting 1/12 of the next principal and interest payment.
- (c) There will be set aside into a "Reserve Fund" the amount equal to one-half of the highest annual principal and interest payment on the bond in any future year. The required amount may be deposited in one lump sum if available or may be accumulated over five years. These funds may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not available in the Debt Service Fund. As of June 30, 2023 the Village of Georgetown had set aside the maximum required amount into this "Reserve Fund".
- (d) There will also be set aside into a "Depreciation and Contingency Fund" 5% of the monthly net revenues provided that sum is available. This shall continue until there has been accumulated the sum of \$50,000, whereupon such payments may cease and need be resumed thereafter only if the total amount of money on deposit in said fund is reduced below the sum of \$200,000, in which event such payments shall be resumed and continue until said maximum amount is again accumulated. This fund is set up to provide an available reserve for extensions, additions, improvement, renewals and replacements necessary to properly operate the system.

## VILLAGE OF GEORGETOWN, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

#### (8) PENSION PLAN

##### *Municipal Police Employees Retirement System of Louisiana (System)*

The Municipal Police Employees' Retirement System (System) is a cost-sharing, multiple-employer defined benefit pension plan established by Act 189 of 1973 to provide retirement, disability, and survivor benefits to municipal police officers in Louisiana.

##### **Note 1 -Summary of Significant Accounting Policies**

The Municipal Police Employees' Retirement System prepares its employer schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense, and amortization periods for deferred inflows and deferred outflows.

##### A. Basis of Accounting

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

##### B. System Employees

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

##### C. Pension Amount Netting

The deferred outflows and deferred inflows of resources resulting from differences between projected and actual earnings on pension plan investments that were recorded in different years were netted to report only a deferred outflow or a deferred inflow on the schedule of pension amounts. The remaining categories of deferred outflows and deferred inflows were not presented on a net basis.

##### D. Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of

## VILLAGE OF GEORGETOWN, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

#### **Note 2 – Plan Description**

The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211- 11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

#### **A. Membership Prior to January 1, 2013:**

A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are 3.333% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

## VILLAGE OF GEORGETOWN, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

#### Note 2 – Plan Description (Continued)

##### B. Membership Prior to January 1, 2013 (Continued)

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are 3% (generally) and 2½%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

##### C. Cost-of-Living Adjustments

The Board of Trustees is authorized to provide annual cost-of living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost-of living adjustment until they reach regular retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

## VILLAGE OF GEORGETOWN, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

#### **Note 2 – Plan Description (Continued)**

##### D. Deferred Retirement Option Plan

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

##### E. Initial Benefit Option Plan

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on the same criteria as DROP.

Statutes should be read for more detail on eligibility and benefit provisions.

#### **Note 3 – Employer Contributions**

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

**VILLAGE OF GEORGETOWN, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

For the year ended June 30, 2022, total contributions due from employers and employees were as follows:

	<u>Employee</u>	<u>Contribution Rates</u>	
		<u>Employer</u>	Total
Members hired prior to 1/1/2013	10.00%	29.75%	39.75%
Hazardous Duty Members hired after 1/1/2013	10.00%	29.75%	39.75%
Non-Hazardous Duty Members hired after 1/1/2013	8.00%	29.75%	37.75%
Members whose earnable compensation is less than the poverty guidelines	7.50%	32.25%	39.75%

**A. Non-Employer Contributions**

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2022, and excluded from pension expense.

**Note 4 – Schedule of Employer Allocations**

The schedule of employer allocations reports the historical employer contributions in addition to the employer allocation percentages for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of the Municipal Police Employees' Retirement System. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the System during the year ended June 30, 2022, as compared to the total of all employers' contributions to the System during the year ended June 30, 2022.

**Note 5 – Schedule of Pension Amounts by Employer**

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

**Note 6 – Actuarial Methods and Assumptions**

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

**VILLAGE OF GEORGETOWN, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

The components of the net pension liability of the System's employers as of June 30, 2022, are as follows:

Total Pension Liability	\$ 3,500,495,219
Plan Fiduciary Net Position	<u>(2,478,317,694)</u>
Total Collective Net Pension Liability	<u>\$ 1,022,177,525</u>

The actuarial assumptions used in the June 30, 2022, valuation were based on the assumptions used in the June 30, 2022 actuarial funding valuation and were based on the results of an actuarial experience study for the period of July 1, 2014 through June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future expense.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	6.750%, net of investment expense
Expected Remaining Service lives	2022 - 4 years
	2021 - 4 years
	2020 - 4 years
	2019 - 4 years

Inflation Rate	2.50%
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Salary increases, including inflation and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	12.3%
	Above 2	4.7%

**Note 6 – Actuarial Methods and Assumptions (Continued)**

Mortality For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.

multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

Cost o-of-Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study for the period of July 1, 2014 through June 30, 2019. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

The best estimates of the arithmetic rates of return for each major asset class included in the System's target allocation as of June 30, 2022, are summarized in the following table:

Asset Class	Target Allocation	June 30, 2022 Long-Term Expected Portfolio Real Rate of Return
Equity	55.50%	3.60 %
Fixed Income	30.50%	0.85%
Alternative	14.00%	0.95%
Totals	100.00%	5.40%
Inflation		2.66%
Expected Arithmetic Return		8.06%

**VILLAGE OF GEORGETOWN, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

**Note 6 – Actuarial Methods and Assumptions (Continued)**

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Note 7 – Sensitivity to Changes in Discount Rate**

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.750%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 5.750%, or one percentage point higher, 7.750%, than the current rate as of June 30, 2022.

	<u>1% Decrease 5.750%</u>	<u>Changes in Discount Rate</u> Current Discount Rate <u>6.750%</u>	<u>1% Increase 7.750%</u>
Net Pension Liability	<u>1,430,852,784</u>	<u>1,022,177,525</u>	<u>680,798,381</u>

**Note 8 – Change in Net Pension Liability**

The changes in the net pension liability for the year ended June 30, 2022, were recognized in the current reporting period as pension expense except as follows:

*Differences between Expected and Actual Experience:*

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in deferred inflows of resources as of June 30, 2022, as follows:

**VILLAGE OF GEORGETOWN, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

						June 30, 2022	
	<u>Deferred</u>	<u>Deferred</u>	<u>Pension</u>	<u>Deferred</u>	<u>Deferred</u>		
	<u>Outflows</u>	<u>Inflows</u>	<u>Expense</u>	<u>Outflows</u>	<u>Inflows</u>		
			<u>(Benefit)</u>				
2022	\$ 6,721,815	\$ -	\$ 1,680,454	\$ 5,041,361	\$ -		
2021	-	1,328,565	(442,855)	-	885,710		
2020	-	14,890,762	(7,445,381)	-	7,445,381		
2019	-	197,116	(197,116)	-	-		
			Total	\$ 5,041,361	\$ 8,331,091		

*Differences between Projected and Actual Investment Earnings:*

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a net deferred inflow of resources as of June 30, 2022, as follows:

							June 30, 2022	
	<u>Deferred</u>	<u>Deferred</u>	<u>Pension</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Net Deferred</u>		
	<u>Outflows</u>	<u>Inflows</u>	<u>Expense</u>	<u>Outflows</u>	<u>Inflows</u>	<u>Inflows</u>		
			<u>(Benefit)</u>					
2022	\$ 478,619,357	\$ -0-	\$ 95,723,871	\$ 382,895,486	\$ -0-	\$ 382,895,486		
2021	-0-	352,999,528	(85,749,882)	-0-	257,249,646	(257,249,646)		
2020	63,171,877	-0-	21,057,292	42,114,585	-0-	42,114,585		
2019	29,460,849	-0-	14,730,425	14,730,424	-0-	14,730,424		
2018	1,472,262	-0-	1,472,263	\$ -0-	\$ -0-	\$ -0-		
			Total	439,740,495	257,249,646	182,490,849		

*Changes of Assumptions or Other Inputs:*

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in deferred outflows of resources and deferred inflows of resources as of June 30, 2022, as follows:

**VILLAGE OF GEORGETOWN, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

**Note 8 – Change in Net Pension Liability (Continued)**

	Deferred Outflows	Deferred Inflows	June 30, 2022		
			Pension Expense (Benefit)	Deferred Outflows	Deferred Inflows
2022	\$ -	\$ -	\$ -0-	\$ -	\$ -
2021	52,889,131	-	17,629,711	35,259,420	-
2020	-	15,205,808	(7,602,905)	-	7,602,903
2019	6,143,843	-	6,143,843	-	-
<b>Totals</b>			<b>16,170,649</b>	<b>35,259,420</b>	<b>7,602,903</b>

*Changes in Proportion:*

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in the employer's proportionate shares are presented in the Schedule of Pension Amounts as deferred outflows or deferred inflows as of June 30, 2022.

**Note 9 – Contributions – Proportionate Share**

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

**Note 10 – Retirement System Audit Report**

The Municipal Police Employees' Retirement System issued a stand-alone audit report on its financial statements for the year ended June 30, 2022. Access to the audit report can be found on the System's website: [www.lampers.org](http://www.lampers.org) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

**VILLAGE OF GEORGETOWN, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

**Note 11 - Estimates**

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

**Note 12 – Reconciliation of 2022 Pension Report, to Employer 2023 Pension Amounts**

	<b>Amounts from the 2022 Employer Pension Report</b>		<b>2023 Employer Specific Amounts</b>		<b>2023 Total Pension Amounts</b>
Net Pension Liability	\$ 93,335	\$		\$	93,335
<i>Deferred Outflows of Resources Related to Pensions:</i>					
Deferred Outflows	\$ 59,257	\$	(388)	\$	58,869
Deferred Outflows - Contributions Subsequent to Measurement Date	-0-	\$	-0-	\$	-0-
<i>Deferred Inflows of Resources Related to Pensions:</i>					
Deferred Inflows	\$ 1,455	\$		\$	1,455
Pension Expense	\$ 35,383	\$	388	\$	35,771
Revenue	\$ 2,031	\$		\$	2,031

**(9) WATER AND SEWER RATES**

<u>Water: (121 Customers)</u>	<u>Minimum Charge</u>	<u>Next</u>
Residential	\$11.00 for 1 <sup>st</sup> 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 <sup>st</sup> 71,600 gals. water used	\$ .93 per 1,000 thereafter
Housing Authority	\$308.00 for 1 <sup>st</sup> 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 <sup>st</sup> 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 <sup>st</sup> 145,600 gals. water used	\$ .07 per 1,000 gals. water used thereafter

## VILLAGE OF GEORGETOWN, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED

#### (10) LITIGATION

The Village of Georgetown is involved in no litigation at June 30, 2023, which is not covered by the Village's applicable insurance policies or is considered to be significant to the Village's financial statements.

#### (11) 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.

#### (12) RETIREMENT PLANS

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

#### (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.
    - i. A representative from Redhill and Georgetown shall jointly record the monthly consumption on the 21<sup>st</sup> day of every month in which the connection is active.
  - b. Also, on the anniversary date of this contract, Redhill will calculate the actual pumping costs of producing the water. These costs include, but are not limited to, electrical and chemical expenses. In the event that these costs increase, the percentage of increase over the previous year shall be calculated and will be applied the following year to the \$2.50 per thousand gallons actual usage fee as defined in Section 3.a.i.

**VILLAGE OF GEORGETOWN, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED**

**(14) TRANSFERS**

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

**(15) 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) 542-9014	Mayor	Jan. 1, 2021 – Dec. 31, 2024	\$ 10,804
Jonathan Spurgeon 261 Hwy 502 Georgetown, LA 71432 (318) 623-2823	Alderman	Jan. 1, 2021 – Dec. 31, 2024	\$ 7,813
Ray Williamson PO Box 132 Georgetown, LA 71432 (318) 715-3390	Alderman	Jan. 1, 2021 – Dec. 31, 2024	\$ 8,533
Bettye Shelton Po Box 127 Georgetown, LA 71432 (318) 452-6047	Alderman	Jan. 1, 2021 – Dec. 31, 2024	\$ 7,813
George Hinds 1370 Hwy 3098 Georgetown, LA 71432 (318) 623-6726	Police Chief	Oct. 1, 2021 – Dec. 31, 2024	\$ 46,800

**(16) SUBSEQUENT EVENTS**

Management has evaluated events and transactions subsequent to the Statement of Net Position date through, October 20, 2023 of the independent auditor’s report for potential recognition or disclosure in the financial statements.

**(17) PRIOR PERIOD ADJUSTMENT**

Prior period adjustment is for the net pension liability in the amount of \$10,579 for prior year.

**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, 2023**

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Fines	\$ 618,000	\$ 545,000	\$ 618,959	\$ 73,959
Fees & Charges	13,000	9,500	32,973	23,473
Taxes	8,500	5,500	7,277	1,777
Post Office Lease	-0-	-0-	2,050	2,050
Grants	-0-	-0-	59,273	59,273
Other	12,000	-0-	21,860	21,860
<b>TOTAL REVENUES</b>	651,500	560,000	742,392	182,392
<b>EXPENDITURES</b>				
General Expense	627,000	615,500	505,679	109,821
Police Expense	43,000	25,000	77,234	(52,234)
Debt Service	-0-	-0-	14,038	(14,038)
Capital Outlay	2,500	-0-	3,690	(3,690)
<b>TOTAL EXPENDITURES</b>	672,500	640,500	600,641	39,859
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (21,000)	\$ (80,500)	141,751	\$ 142,533
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan Proceeds			-0-	
Transfers In (Out)			(16,750)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			(16,750)	
<b>NET CHANGE IN FUND BALANCE</b>			125,001	
<b>FUND BALANCES--BEGINNING</b>			98,043	
<b>FUND BALANCES--ENDING</b>			\$ 223,044	

The accompanying notes are an integral part of this statement.

See independent auditor's report.

**VILLAGE OF GEORGETOWN, LOUISIANA**  
**Schedule of the Village's Proportionate Share of the Net Pension Liability**  
**Louisiana Municipal Employees' Retirement System**

Year	Village's Proportion of the NPL (Percentage)	Village's Proportionate Share of the NPL (Amount)	Village's Covered- Employee Payroll	Village's Proportionate Share of the NPL as a Percentage of Its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	.009%	\$93,335	\$32,611	34.94%	70.80%

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

See independent auditor's report.

**VILLAGE OF GEORGETOWN, LOUISIANA**  
**Schedule of the Village's Contributions**  
**Louisiana Municipal Employees' Retirement System**

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contribution as a Percentage of Covered Employee Payroll</u>
2023	\$8,398	\$9,948	\$1,550	\$32,611	30.51%

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

See independent auditor's report.

**Other Information**

**Village of Georgetown, Louisiana**  
**Schedule of Compensation Benefits and Other Payments**  
**to Agency Head or Chief Executive Officer**  
**For the Year Ended June 30, 2023**

Honorable Danny Olden, Mayor

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

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

See independent auditor's report.

**Village of Georgetown  
Georgetown, Louisiana  
Justice System Funding Schedule – Collecting/Disbursing Entity  
Year Ended June 30, 2023**

	<b>First Six Months Ended 12/31/2022</b>	<b>Second Six Months Ended 06/30/2023</b>
<b>Beginning Balance of Amounts Collected</b>	\$ -0-	\$ -0-
<b>Add: Collections</b>		
Criminal Court Costs/Fees	28,200	35,520
Criminal Fines – Contempt	18,300	24,570
Criminal Fines – Other	281,291	357,880
<b>Subtotal Collections</b>	<u>327,791</u>	<u>417,970</u>
<b>Less: Disbursements to Governments &amp; Nonprofits</b>		
Department of Health and Hospital	4,295	6,060
State Treasurer – CMIS	1,176	1,680
North LA Crime Lab	1,560	2,100
LA Commission on Law Enforcement	2,305	3,293
LA Supreme Court Education Fund	588	839
Central LA Juvenile Fund	8,820	12,600
<b>Less: Amounts Retained by Collecting Agency</b>		
Amounts Self-Disbursed – Criminal Fines – Other	285,786	362,049
<b>Less: Disbursements to Individuals/3<sup>rd</sup> Party Collection or Processing Agency</b>		
American Municipal Services-Collection Agency	10,476	13,508
nCourt Processing Agency	12,251	14,479
Quick Court	534	1,362
<b>Subtotal Disbursements/Retainage</b>	<u>327,791</u>	<u>417,970</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	<u>-0-</u>	<u>-0-</u>
<b>Ending Balance of “Partial Payments” Collected but not Disbursed</b>	-0-	-0-
<b>Other Information:</b>		
<b>Ending Balance of Total Amounts Assessed but not yet Collected</b>	-0-	-0-
<b>Total Waivers During the Fiscal Period</b>	\$ -0-	\$ -0-

See independent auditor’s report.

## **OTHER REPORTS**

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### MEMBERS

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Society of Louisiana  
Certified Public Accountants

Association of  
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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, 2023, 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 October 20, 2023.

#### **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 and therefore, material weaknesses or significant deficiencies

may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedules of findings and questioned costs as items **[2023-1 Old Outstanding Checks and 2023-3 Small Size of Entity]** that we consider to be significant deficiencies.

### **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 instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*. Described in the accompanying schedule of findings and questioned cost as item: **2023-2 Bond Reserve Accounts required by bond covenants.**

### **The Village of Georgetown's Response to Findings**

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

### **Purpose of this Report**

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

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

*The Vercher Group*

Jena, Louisiana  
October 20, 2023

**VILLAGE OF GEORGETOWN, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST**  
**For the Year Ended June 30, 2023**

We have audited the basic financial statements of the Village of Georgetown, Louisiana, as of and for the year ended June 30, 2023, and have issued our report thereon dated October 20, 2023. 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, 2023, resulted in an unmodified opinion.

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

Internal Control

Material Weaknesses  Yes                      Significant Deficiencies  Yes

Compliance

Compliance Material to Financial Statements  Yes

**b. Federal Awards (Not Applicable)**

Internal Control

Material Weaknesses  Yes  No      Other Conditions  Yes  No

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

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

Yes  No

**c. Identification Of Major Programs:**

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

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

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

VILLAGE OF GEORGETOWN, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)  
For the Year Ended June 30, 2023

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**Section II - Financial Statement Findings**

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**2023-1 Old Outstanding Checks and Drafts (Internal Control)**

**Condition:** The Village has \$7,867 in outstanding checks and drafts that are more than six months old.

**Criteria:** Not clearing old outstanding checks on a regular basis can result in the issuance of financial statements that understate cash.

**Cause of Condition:** Not correcting the bank reconciliation.

**Effect of Condition:** Understatement of cash in the financial statements.

**Recommendation:** The old outstanding checks should be added back to the books and reconciled bank balance.

**Client Response and Corrective Action:** The Village will make the necessary adjustments.

**2023-2 Bond reserve accounts required by bond covenants (Compliance)**

**Condition:** The Village did not maintain its bond reserve accounts as required by its bond indentures.

**Criteria:** The Village has one issue of revenue bonds outstanding. The flow of funds and restrictions on use are governed by the bond indentures, the terms of which are summarized as follows:

- Payment of all reasonable and necessary expenses of operating and maintaining the system.
- Each month there will be set aside into a fund called the “Debt Service Fund” an amount constitution 1/12 of the next principal and interest payment.
- There will be set aside into a “Reserve Fund” the amount equal to one-half of the highest annual principal and interest payment on the bond in any future year. The required amount may be deposited in one lump sum if available or may be accumulated over five years. These funds may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not available in the Debt Service Fund. As of June 30, 2023 the Village of Georgetown had set aside the maximum required into this “Reserve Fund”.
- There will also be set aside into a “Depreciation and Contingency Fund” 5% of the monthly net revenues provided that sum is available. This shall continue until there has been accumulated the sum of \$50,000, whereupon such payments may cease and need be resumed thereafter only if the total amount of money on deposit in said fund is reduced below the sum of \$200,000, in which event such payments shall be resumed and continue until said maximum amount is again accumulated. This fund is set up to provide an

VILLAGE OF GEORGETOWN, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)  
For the Year Ended June 30, 2023

available reserve for extensions, additions, improvements, renewals, and replacement necessary to properly operate the system.

**Cause of Condition:** Not depositing money into the reserve accounts.

**Effect of Condition:** Noncompliance with bond indentures.

**Recommendation:** The Village should maintain its reserve accounts in accordance with bond indentures requirements.

**Client Response and Corrective Action:** The Village will maintain its reserve accounts in accordance with bond indenture.

**2023-3 Small Size of Entity (Internal Control)**

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

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

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

**Effect of Condition:** Significant deficiency in internal controls.

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

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

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**Section III – Federal Awards Findings and Questioned Costs**

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Not applicable.

**VILLAGE OF GEORGETOWN, LOUISIANA**

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

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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, 2022.

**PRIOR YEAR FINDINGS**

No items reported.

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### **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

Village of Georgetown, Louisiana

We have performed the procedures enumerated below, which were agreed to by Village of Georgetown (entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period July 1, 2022 to June 30, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

#### ***Written Policies and Procedures***

---

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

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

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

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

### ***Board or Finance Committee***

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

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

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

**No exceptions performing these procedures.**

### ***Bank Reconciliations***

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

**No exceptions performing these procedures.**

### ***Collections (excluding electronic funds transfers)***

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

**Observations: The Village Hall.**

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

job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

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

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

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

**There were no exceptions performing these procedures.**

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

**No exceptions performing these procedures.**

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

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

**Observations: The Village Hall.**

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

**There were no exceptions performing these procedures.**

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
  - c) Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was approved by only those persons authorized to disburse funds per the entity's policy and approved by the required number of authorized signers per the entity's policy.

**There were no exceptions performing these procedures.**

### *Credit Cards/Debit Cards/Fuel Cards/P-Cards*

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

**There were no exceptions performing these procedures.**

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

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

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

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

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

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**There were no exceptions performing these procedures.**

### ***Contracts***

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

**There were no exceptions performing these procedures.**

### ***Payroll and Personnel***

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do

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

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

**There were no exceptions performing these procedures.**

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

**There were no exceptions performing these procedures.**

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

**There were no exceptions performing these procedures.**

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
  - c) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**There were no exceptions performing these procedures.**

### ***Debt Service***

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

**There were no exceptions performing these procedures.**

### ***Fraud Notice***

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

**There were no exceptions performing these procedures.**

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

**There were no exceptions performing these procedures.**

### ***Information Technology Disaster Recovery/Business Continuity***

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

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

- d) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9c. Observe evidence that the selected terminated employee have been removed or disabled from the network.

**We performed the procedure and discussed the results with management.**

### ***Prevention of Sexual Harassment***

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

**There were no exceptions performing these procedures.**

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

**There were no exceptions performing these procedures.**

- 28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

**There were no exceptions performing these procedures.**

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

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

## *The Vercher Group*

Jena, Louisiana  
October 20, 2023