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VILLAGE OF NAPOLEONVILLE

NAPOLEONVILLE, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been distributed to the entity and other appropriate parties. A copy of the report is available for public inspection at the Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 19 2000

Leroy J. Chustz
Certified Public Accountant, APAC

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

General Purpose Financial Statements
and Independent Auditor's Reports

For the Year Ended December 31, 1999
With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Mayor and Board of Aldermen
Village of Napoleonville
Napoleonville, Louisiana

I have audited the accompanying general purpose financial statements of **The Village of Napoleonville**, Napoleonville, Louisiana, as of December 31, 1999, and for the year then ended, as listed in the Table of Contents. These general purpose financial statements are the responsibility of The Village of Napoleonville's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of The Village of Napoleonville, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 7, 2000, on my consideration of the Village of Napoleonville's internal control structure and on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis, and are not a required part of the general purpose financial statements of The Village of Napoleonville. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Leroy J. Chustz

Leroy J. Chustz
Certified Public Accountant, APAC
June 7, 2000

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

**To the Mayor and Board of Aldermen
Village of Napoleonville
Napoleonville, Louisiana**

I have audited the financial statements of **The Village of Napoleonville**, Napoleonville, Louisiana, as of and for the year ended December 31, 1999, and have issued my report thereon dated June 7, 2000. I conducted my audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

This report is intended for the information of The Village of Napoleonville's management, and federal awarding agencies and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Leroy J. Chustz

Leroy J. Chustz
Certified Public Accountant, APAC
June 7, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

VILLAGE OF NAPOLEONVILLE
 COMBINED BALANCE SHEET — ALL FUND TYPES AND ACCOUNT GROUPS
 Statement A
 December 31, 1999

	GENERAL FUND	ENTERPRISE FUND	GENERAL FIXED ASSET GROUP	Memorandum Only Current Year	Memorandum Only Prior Year
ASSETS					
Current Assets					
Cash	\$ 176,264.73	\$ 36,103.47	\$ -	\$ 212,368.20	\$ 256,981.64
Accounts receivable	2,328.55	6,960.14	-	9,288.69	8,506.48
Due from other funds	12,064.69	-	-	12,064.69	12,064.69
Licenses receivable	-	-	-	-	33,274.45
Taxes receivable	7,644.47	-	-	7,644.47	16,653.65
Restricted Assets					
Cash	-	47,148.67	-	47,148.67	44,870.19
Fixed Assets					
Machinery and equipment - net	-	725,840.06	-	725,840.06	750,536.85
General Fixed Assets					
General fixed assets	-	-	818,132.12	818,132.12	746,622.11
TOTAL ASSETS	\$ 198,302.44	\$ 816,052.34	\$ 818,132.12	\$ 1,832,486.90	\$ 1,869,510.06
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Curr Liab (from Curr Assets)					
Accounts payable	\$ 6,927.25	\$ 313.01	\$ -	\$ 7,240.26	\$ 5,711.60
Due to other funds	-	12,064.69	-	12,064.69	12,064.69
Due to other governments	407.24	-	-	407.24	301.74
Arrest bonds payable	733.00	-	-	733.00	733.00
Salaries and wages payable	-	-	-	-	37.72
Payroll taxes payable	9,717.34	-	-	9,717.34	7,316.61
Curr Liab (from Restr Assets)					
Bonds payable-current portion	-	3,988.29	-	3,988.29	3,806.05
Accrued interest payable	-	1,877.64	-	1,877.64	2,664.82
Deferred Revenue					
Deferred revenue	908.18	-	-	908.18	-
Long-Term Liabilities					
Bonds payable	-	304,723.52	-	304,723.52	307,943.11
TOTAL LIABILITIES	18,693.01	322,967.15	-	341,660.16	340,579.34

See the accompanying notes to the financial statements.

VILLAGE OF NAPOLEONVILLE
 COMBINED BALANCE SHEET — ALL FUND TYPES AND ACCOUNT GROUPS
 Statement A
 December 31, 1999

	GENERAL FUND	ENTERPRISE FUND	GENERAL FIXED ASSET GROUP	Memorandum Only Current Year	Memorandum Only Prior Year
FUND EQUITY					
Unreserved	\$ 179,609.43	\$ -	\$ -	\$ 179,609.43	\$ 275,362.77
Investment in fixed assets	-	-	818,132.12	818,132.12	746,622.11
Contributed capital	-	627,970.24	-	627,970.24	627,970.24
Contribution from FmHA	-	7,964.95	-	7,964.95	7,964.95
Unreserved	-	(142,850.00)	-	(142,850.00)	(128,989.35)
TOTAL FUND EQUITY	179,609.43	493,085.19	818,132.12	1,490,826.74	1,528,930.72
TOTAL LIABILITIES AND FUND EQUITY	\$ 198,302.44	\$ 816,052.34	\$ 818,132.12	\$ 1,832,486.90	\$ 1,869,510.06

See the accompanying notes to the financial statements.

VILLAGE OF NAPOLEONVILLE

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—
 BUDGET AND ACTUAL (GAAP BASIS) GENERAL AND SPECIAL REVENUE FUNDS
 Statement B
 Year Ended December 31, 1999

GENERAL FUND

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Ad valorem tax	\$ 26,217.00	\$ 29,449.38	\$ 3,232.38
Sales tax	115,000.00	102,326.58	(12,673.42)
Licenses and permits	13,000.00	28,700.04	15,700.04
Intergovernmental revenue	6,000.00	6,237.15	237.15
Federal grants	30,000.00	12,140.12	(17,859.88)
State grants	9,300.00	28,078.64	18,778.64
Fees, charges and commissions	43,000.00	28,683.20	(14,316.80)
Fines and forfeitures	8,000.00	11,738.00	3,738.00
Use of money and property	10,435.00	18,192.91	7,757.91
Miscellaneous revenue	5,900.00	15,653.04	9,753.04
TOTAL REVENUES	266,852.00	281,199.06	14,347.06
EXPENDITURES			
Current Expenditures			
Other general administration	126,290.00	126,452.24	(162.24)
Public safety	94,350.00	96,672.66	(2,322.66)
Public works	41,900.00	33,743.20	8,156.80
Health and welfare	30,800.00	30,650.35	149.65
Culture and recreation	16,812.00	17,923.94	(1,111.94)
Capital Outlay			
Other general administration	-	68,596.10	(68,596.10)
Public safety	67,000.00	2,913.91	64,086.09
TOTAL EXPENDITURES	377,152.00	376,952.40	199.60
Excess (deficiency) of revenues over expenditures	(110,300.00)	(95,753.34)	14,546.66
Excess (deficiency) of revenues over expenditures and other sources (uses)	(110,300.00)	(95,753.34)	14,546.66
Fund Balances at beginning of year	-	275,362.77	275,362.77
Fund Balances at end of year	\$ (110,300.00)	\$ 179,609.43	\$ 289,909.43

See the accompanying notes to the financial statements.

VILLAGE OF NAPOLEONVILLE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS---

ALL PROPRIETARY FUND TYPES

Statement C

Year Ended December 31, 1999

	Memorandum Only		Memorandum Only
	ENTERPRISE FUNDS	Current Year	Prior Year
OPERATING REVENUES			
Fees, charges and commissions	\$ 88,618.81	\$ 88,618.81	\$ 89,889.18
Total operating revenues	88,618.81	88,618.81	89,889.18
OPERATING EXPENSES			
Health and welfare			
Unemployment insurance	3.56	3.56	3.33
Social security tax	1,316.54	1,316.54	-
Insurance	2,496.61	2,496.61	2,935.99
Billing and collecting fees	3,985.92	3,985.92	3,760.25
Salaries and wages	22,181.55	22,181.55	20,443.59
Repairs to system	6,920.20	6,920.20	6,021.77
Electricity	8,858.46	8,858.46	8,674.85
Tools and sundry equipment	1,728.66	1,728.66	73.68
Sewerage material and supply	10,250.92	10,250.92	6,996.56
Miscellaneous	1,219.45	1,219.45	636.46
Inspection and testing	1,366.00	1,366.00	1,385.00
Water	3,178.59	3,178.59	1,278.56
D E Q fees	713.08	713.08	666.58
Depreciation	24,696.79	24,696.79	24,696.81
Legal and professional	876.66	876.66	373.00
Bond interest	18,686.47	18,686.47	17,008.82
Total operating expenses	108,479.46	108,479.46	94,955.25
Operating income	(19,860.65)	(19,860.65)	(5,066.07)
NONOPERATING REVENUES (EXPENSES)			
Miscellaneous revenue	6,000.00	6,000.00	400.00
Total operating transfers	6,000.00	6,000.00	400.00
Net Income	(13,860.65)	(13,860.65)	(4,666.07)
Retained Earnings/Fund Balance, beginning of year	(128,989.35)	(128,989.35)	(124,323.28)
Retained Earnings/Fund Balance, end of year	\$ (142,850.00)	\$ (142,850.00)	\$ (128,989.35)

See the accompanying notes to the financial statements.

VILLAGE OF NAPOLEONVILLE

COMBINED STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES
Statement D

For the Year Ended December 31, 1999
Increase (Decrease) in Cash and Cash Equivalents

Cash flows from operating activities:	
Operating income (loss)	\$(13,860.65)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	24,696.79
(Increase) decrease in receivables	(725.60)
Increase (decrease) in accounts payable	286.25
Increase (decrease) in accrued liabilities	<u>(787.18)</u>
Net cash provided (used) by operating activities	<u>9,609.61</u>
Cash flows from capital financing activities:	3,037.35
Bonds redeemed	
Net cash provided (used) by capital financing activities	<u>3,037.35</u>
Net increase (decrease) in cash and equivalents	<u>6,572.26</u>
Cash and cash equivalents, beginning of year	76,679.88
Cash and cash equivalents, end of year	<u>83,252.14</u>
Supplemental disclosures of cash flow information-Cash paid during the year for:	
Interest	19,473.65
Income taxes	-0-

See the accompanying notes to the financial statements.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Napoleonville operates under a mayor - board of aldermen form of government in accordance with the provisions of the Village's charter. The accounting and reporting practices of the Village conform to generally accepted accounting principles as applicable to governmental units applied on a consistent basis between periods. Such accounting procedures also conform to the accounting requirements of the 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*, published by the American Institute of Certified Public Accountants.

The following is a summary of the more significant policies:

A. FINANCIAL REPORTING ENTITY

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

B. FUND ACCOUNTING

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The following fund category, fund types, and account groups are used by the Village:

Governmental Funds:

General Fund

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

Special Revenue Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

Proprietary Funds:

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses

VILLAGE OF NAPOLEONVILLE, LOUISIANA
Notes to the Financial Statements, Continued
December 31, 1999

incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Account Group:

General Fixed Asset Account Group

This account group is established to account for fixed assets of the Village other than those accounted for in proprietary funds or trust funds. General fixed assets are accounted for in the General Fixed Asset Account Group rather than in the governmental funds.

Overview total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not represent financial position, results of operation, or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. *BASIS OF ACCOUNTING*

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for on the modified accrual basis of accounting, wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components.

D. *BUDGET AND BUDGETARY ACCOUNTING*

The Village's budgetary procedures provide that the Clerk prepare a proposed budget which must be presented to the Mayor and Board of Aldermen prior to the beginning of each fiscal year. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At that time, a public hearing is called. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to commencement of the fiscal year for which the budget is being adopted. All budgetary amendments involving the transfer of funds require approval of the Board of Aldermen. All budgetary appropriations lapse at the end of each fiscal year. Budgets for the General and Special Revenue funds were adopted on a basis consistent with generally accepted accounting principles.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Village.

E. *FIXED ASSETS*

Fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental fund types and capitalized at cost in the general fixed assets account group.

VILLAGE OF NAPOLEONVILLE, LOUISIANA
 Notes to the Financial Statements, Continued
 December 31, 1999

Fixed assets consisting of certain improvements other than buildings, including roads, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets are normally immovable and of value only to the Village. Therefore, the stewardship for such capital expenditures is satisfied without recording these assets.

No depreciation has been recorded on general fixed assets.

All fixed assets of proprietary funds are valued at historical costs. It is the policy of the Village to capitalize interest costs incurred during the period of construction. During 1999, no interest was capitalized.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation is calculated using the straight line method with estimated lives ranging from ten to forty years. All infrastructure assets are accounted for and depreciated.

F. *CASH*

Cash includes demand deposits and interest bearing demand deposits which are fully secured through the pledge of bank-owned securities or federal deposit insurance. For purposes of the statement of cash flows, the Village considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 1999, the Village has cash and cash equivalents (book balances) as follows:

Demand deposits	<u>\$258,259</u>
Total	<u>\$258,259</u>

These deposits are stated at cost, which approximates market. 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. Deposits (bank balances) at December 31, 1999, are secured as follows:

Bank balances	<u>\$271,474</u>
Federal deposit insurance	\$100,000
Pledged securities (Category 1)	<u>171,474</u>
Total insurance and pledged securities	<u>\$271,474</u>
Unsecured deposits at 12/31/99	<u>\$ -0-</u>

G. REVENUE RECOGNITION POLICIES

The following describes the revenue recognition practices for the major revenue sources of the Village.

1. AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied by the Village in September and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed. There were \$904 in taxes receivable at December 31, 1999.

The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Assumption Parish.

For the year ended December 31, 1999, taxes of 14.04 mills were levied and were dedicated for general operating purposes.

2. SALES TAXES

Sales taxes, and licenses and permits are recognized as revenues whenever they are received by the collecting authority or collectibility has been clearly established. There were \$3,223 in sales taxes receivable as of December 31, 1999.

3. SERVICE FEE REVENUES

Charges for services are recognized as revenues when customers are billed for services as provided.

Substantially all other revenues are recognized when received.

H. VACATION AND SICK LEAVE

Vacation and sick leave are recorded as expenditures of the period in which they are paid. The amount of accumulated vacation and sick leave cannot be reasonably estimated at this time; however, it is immaterial in amount.

I. INTERFUND TRANSFERS

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due to and due from accounts.

J. UNCOLLECTIBLE ACCOUNTS

The statements contain no provision for uncollectible ad valorem taxes and other receivables. Village officials are of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

K. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

VILLAGE OF NAPOLEONVILLE, LOUISIANA
Notes to the Financial Statements, Continued
December 31, 1999

2. **BOND RESERVE REQUIREMENTS**

The Village is required to maintain the following reserves by the Farmers Home Administration as a condition of the loan made to the Village.

A. **RESERVE BOND SINKING FUND**

Each month the Village must transfer into the revenue bond sinking fund, a sum equal to one-twelfth of the interest falling due on the next interest payment date and, in addition, a sum equal to one-twelfth of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required as the same respectively become due. The fiscal agent bank shall make available from the revenue bond sinking fund to the paying agent for all installments on the bond payable from said fund, at least ten days in advance of the date on which each payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and interest so falling due on such date.

B. **SEWERAGE SYSTEM REVENUE BOND RESERVE FUND**

Each month the Village must transfer into the reserve fund, a sum equal to five per cent of the sum required to be transferred in each month into the revenue bond sinking fund as required in the reserve bond sinking fund, the payments to continue until such time as there has been accumulated therein a sum equal to the highest combined principal and interest requirement in any succeeding fiscal year on the outstanding principal of the bonds. The money in the reserve fund is to be retained solely for the purpose of paying the principal of and the interest on bonds payable from the revenue bond sinking fund as to which there would otherwise be default.

C. **DEPRECIATION AND CONTINGENCY FUND**

Each month the Village must transfer into the depreciation and contingency fund the sum of \$96.00. All monies in the depreciation and contingency fund may be drawn on and used by the Village for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, replacements, and extensions; and the costs of improvements to the sewerage system which will either enhance its revenue producing capacity or provide a higher degree of service.

In accordance with the requirements of Paragraph A, B and C above, the Village has set aside the required reserves.

3. **GENERAL FIXED ASSETS AND FIXED ASSETS USED IN PROPRIETARY FUNDS**

A summary of general fixed assets at December 31, 1999, is as follows:

	<u>BEGINNING OF YEAR</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>END OF YEAR</u>
Buildings	\$420,975	\$ 48,000	\$ -0-	\$468,975
Improvements other than buildings	205,532	9,907	-0-	215,439
Equipment	<u>120,115</u>	<u>13,603</u>	<u>-0-</u>	<u>133,718</u>
Total	<u>\$746,622</u>	<u>\$ 71,510</u>	<u>\$ -0-</u>	<u>\$818,132</u>

VILLAGE OF NAPOLEONVILLE, LOUISIANA
Notes to the Financial Statements, Continued
December 31, 1999

A summary of fixed assets used in proprietary funds is as follows:

	<u>BEGINNING OF YEAR</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>END OF YEAR</u>
Sewer system	\$1,180,830	\$ -0-	\$ -0-	\$1,180,830
Equipment	5,550	-0-	-0-	5,550
Accumulated depreciation	<u>(435,843)</u>	<u>(24,697)</u>	<u>-0-</u>	<u>(460,540)</u>
Total	<u>\$ 750,537</u>	<u>\$ (24,697)</u>	<u>\$ -0-</u>	<u>\$ 725,840</u>

4. PENSION PLANS

MERS-

All of the Village of Napoleonville's full-time non-police employees participate in the Municipal Employees Retirement System Plan "B" ("System"), a multiple-employer public employee retirement system. The payroll for employees covered by the System for the year ended December 31, 1999, was \$88,204; the Village's total payroll was \$173,846.

The system provides retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system and which elect to become members of the System. The System was established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week, not participating in another public funding retirement system and under age sixty at date of employment.

Any member of Plan B can retire providing he meets one of the following criteria:

1. Age fifty-five with thirty years of creditable service.
2. Age sixty with a minimum of ten or more years of creditable service.
3. Under age sixty with ten years of creditable service eligible for disability benefits.
4. Survivor's benefits require twenty years creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two per cent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Covered employees are required by State statute to contribute five per cent of their salary to the plan. The Village was required by the same statute to contribute five to three and one-quarter per cent. The contribution requirement for the year ended December 31, 1999, was \$8,045, which consisted of \$3,635 from the Village and \$4,410 from employees. The actuarially determined contribution requirement for 1999 has not yet been provided by the retirement system.

Trend information showing the progress of the System in accumulating sufficient assets to pay benefits when due is presented in its annual financial reports. Copies of these reports may be obtained from the Municipal Employees Retirement System of Louisiana.

MPERS-

All of the Village of Napoleonville's full-time police employees participate in the Municipal Police Employees Retirement

VILLAGE OF NAPOLEONVILLE, LOUISIANA
Notes to the Financial Statements, Continued
December 31, 1999

System ("System"), a multiple-employer public employee retirement system. The payroll for employees covered by the System for the year ended December 31, 1999, was \$38,903; the Village's total payroll was \$173,846.

Membership 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, providing he does not have to pay social security and providing he meets the statutory criteria.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

Any member is eligible for normal retirement after he has been a member of the System for one year, if he 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.

Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

A member is eligible to receive disability benefits if he was an active contributing member of the system, or if he is no longer a member but has 20 years creditable service established in the System, and suffers disability which has been certified by examination by a member of the State-wide Medical Disability Board. A service related disability requires no certain number of years of creditable service; however, a non-service connected disability requires five years of creditable service.

The disability benefits are calculated at three percent of average final compensation multiplied by years of creditable service, but shall not be less than forty percent nor more than sixty of average final compensation. Upon reaching the age required for regular retirement, the disability pensioner receives the greater of disability benefit or accrued benefit earned to date of disability.

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 forty to sixty percent of the member's average final compensation.

A member is eligible upon receiving 25 years of credit regardless of age or 20 years of credit and attaining the age of 50, to elect to enter the deferred retirement option plan (DROP). 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 specified for a period of three years 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. 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.

Covered employees are required by State statute to contribute five per cent of their salary to the plan. The Village was required by the same statute to contribute five to three and one-quarter per cent. The contribution requirement for the year ended December 31, 1999, was \$6,419, which consisted of \$3,501 from the Village and \$2,918 from employees. The actuarially determined contribution requirement for 1999 has not yet been provided by the retirement system.

VILLAGE OF NAPOLEONVILLE, LOUISIANA
Notes to the Financial Statements, Continued
December 31, 1999

Trend information showing the progress of the System in accumulating sufficient assets to pay benefits when due is presented in its annual financial reports. Copies of these reports may be obtained from the Municipal Employees Retirement System of Louisiana.

5. LONG-TERM DEBT

The following is a summary of loan transactions of the Village for the year ending December 31, 1999:

	<u>LOAN R-1</u>
Loan payable at December 31, 1998	\$ 311,749
New debt issued	-0-
Principal retired	<u>3,037</u>
Loan payable at December 31, 1999	<u>\$ 308,712</u>

Long-term debt consists of one loan made by the Village and held by the Farmers Home Administration. Loan R-1 in the amount of \$336,500 bears interest of six per cent per annum to be paid from the revenues of the sewer system.

Repayment is to be made as follows:

\$326,500 SEWERAGE SYSTEM LOAN NUMBER R-1

Only interest will be paid on the first annual payment starting on December 11, 1990. Payments of \$22,512 annually thereafter on each December 11th until principal and interest are fully paid, except the final payment of the entire indebtedness, if not sooner paid, shall be due and payable on the last annual payment date, which is forty years from the date of the bond.

The annual requirements to amortize all long-term debt outstanding at December 31, 1999, including interest of \$360,023 are as follows:

<u>YEAR ENDED</u>	<u>LOAN R-1</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2000	3,988	18,523	22,511
2001	4,228	18,283	22,511
2002	4,481	18,030	22,511
2003	4,750	17,761	22,511
2004	5,035	17,476	22,511
2005 through maturity	<u>286,229</u>	<u>269,950</u>	<u>556,180</u>
TOTAL	<u>308,712</u>	<u>360,023</u>	<u>668,735</u>

VILLAGE OF NAPOLEONVILLE, LOUISIANA
Notes to the Financial Statements, Continued
December 31, 1999

6. CONTRIBUTED CAPITAL

Contributed capital is comprised of funding from a grant from the Farmers Home Administration and the fund balance of the Sewer fund previously reported as a special revenue fund.

7. PAYMENTS TO BOARD OF ALDERMEN

Board of Aldermen members are compensated at \$125.00 per month and the mayor is compensated at \$350.00 per month. The following payments were made to the Board members.

<u>BOARD MEMBER</u>	<u>MEETINGS ATTENDED</u>	<u>PER DIEM</u>
Darrel C. Jupiter, Mayor Post Office Box 400 Napoleonville, Louisiana 70390	16	\$3,150
Frank Couteau Post Office Box 487 Napoleonville, Louisiana 70390	13	1,500
Florentine Blanchard Post Office Box 350 Napoleonville, Louisiana 70390	16	1,500
Carl Heims Post Office Box 260 Napoleonville, Louisiana 70390	11	<u>1,500</u>
		<u>\$7,650</u>

8. CONTINGENCIES AND PENDING LITIGATION

According to legal counsel, there are two matters pending against the Village of Napoleonville. The Village has adequate insurance in the event of an adverse finding.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS
(SUPPLEMENTAL INFORMATION)

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

VILLAGE OF NAPOLEONVILLE
GENERAL FUND
Schedule 1
COMPARATIVE BALANCE SHEET

December 31, 1999 and 1998

	1999	1998
ASSETS		
<hr/>		
Current Assets		
Cash	\$ 176,264.73	\$ 225,171.95
Accounts receivable	2,328.55	2,271.94
Due from other funds	12,064.69	12,064.69
Licenses receivable	-	33,274.45
Taxes receivable	7,644.47	16,653.65
	<hr/>	<hr/>
TOTAL ASSETS	\$ 198,302.44	\$ 289,436.68
	<hr/>	<hr/>
 LIABILITIES AND FUND BALANCE		
<hr/>		
LIABILITIES		
Curr Liab (from Curr Assets)		
Accounts payable	\$ 6,927.25	\$ 5,711.60
Due to other governments	407.24	301.74
Arrest bonds payable	733.00	733.00
Salaries and wages payable	-	37.72
Payroll taxes payable	9,717.34	7,289.85
Deferred Revenue		
Deferred revenue	908.18	-
	<hr/>	<hr/>
TOTAL LIABILITIES	18,693.01	14,073.91
	<hr/>	<hr/>
 FUND BALANCE		
Fund Balance		
Unreserved	179,609.43	275,362.77
	<hr/>	<hr/>
TOTAL FUND BALANCE	179,609.43	275,362.77
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 198,302.44	\$ 289,436.68
	<hr/>	<hr/>

VILLAGE OF NAPOLEONVILLE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
CHANGES IN FUND BALANCE—BUDGET (GAAP BASIS)
Schedule 2

Year Ended December 31, 1999

With Comparative Actual Amounts for Year Ended December 31, 1998

	1999		Variance— favorable (unfavorable)	1998 Actual
	Budget	Actual		
REVENUES				
Revenues				
Ad valorem tax				
Ad Valorem taxes	\$ 26,217.00	\$ 29,449.38	\$ 3,232.38	\$ 28,789.74
Sales tax				
1% sales tax	115,000.00	102,326.58	(12,673.42)	117,645.56
Licenses and permits				
Occupational license	12,000.00	26,634.90	14,634.90	11,675.92
Beer and liquor licenses	1,000.00	2,065.14	1,065.14	6,378.75
Insurance licenses	-	-	-	36,600.32
Intergovernmental revenue				
Video poker revenue	6,000.00	6,237.15	237.15	6,507.99
Federal grants				
Insurance licenses	30,000.00	-	(30,000.00)	10,446.86
Miscellaneous revenue	-	12,140.12	12,140.12	-
State grants				
Beer tax	4,000.00	2,369.95	(1,630.05)	-
Tobacco tax	4,300.00	6,144.65	1,844.65	4,336.48
State revenue sharing	1,000.00	2,626.00	1,626.00	1,799.00
Other state grants	-	16,938.04	16,938.04	-
Fees, charges and commissions				
Cable TV franchise fees	10,000.00	3,147.24	(6,852.76)	9,585.84
Community center rentals	7,000.00	-	(7,000.00)	7,620.00
Garbage assessment	26,000.00	25,535.96	(464.04)	28,257.08
Fines and forfeitures				
Fines - Mayor's court	8,000.00	11,738.00	3,738.00	17,974.50
Use of money and property				
Interest & penalty on AV tax	35.00	33.47	(1.53)	9.88
Rent	5,800.00	14,340.00	8,540.00	5,800.00
Interest income	4,600.00	3,819.44	(780.56)	3,799.71
Miscellaneous revenue				
Allowance on electricity sales	1,900.00	14,455.14	12,555.14	1,670.85
Sale of fixed assets	-	476.00	476.00	1,301.00
Miscellaneous revenue	4,000.00	721.90	(3,278.10)	3,346.76
TOTAL REVENUES	266,852.00	281,199.06	14,347.06	303,546.24
EXPENDITURES				
Current Expenditures				
Other general administration				
Unemployment insurance	300.00	20.56	279.44	272.64

VILLAGE OF NAPOLEONVILLE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
CHANGES IN FUND BALANCE—BUDGET (GAAP BASIS)
Schedule 2
Year Ended December 31, 1999
With Comparative Actual Amounts for Year Ended Decmeber 31, 1998

	1999			
	Budget	Actual	Variance— favorable (unfavorable)	1998 Actual
Social security tax	\$ 3,500.00	\$ 3,135.69	\$ 364.31	\$ 3,296.06
Insurance	17,500.00	13,333.32	4,166.68	12,166.55
Official publications	1,650.00	1,072.68	577.32	1,670.67
Ad valorem tax roll	200.00	165.00	35.00	162.90
Stop Payment Fees	25.00	-	25.00	25.00
Group health insurance	12,420.00	7,907.15	4,512.85	14,189.27
Miscellaneous expenditures	-	2,232.54	(2,232.54)	-
Billing and collecting fees	1,380.00	1,568.92	(188.92)	1,885.78
Municipal employees retirement	3,400.00	6,995.54	(3,595.54)	-
Sales tax collectors fees	915.00	972.30	(57.30)	-
Mayor's vehicle	-	467.65	(467.65)	969.88
Other insurance	15,000.00	14,610.38	389.62	15,034.81
Mayor and board of aldermen	8,700.00	7,650.30	1,049.70	7,650.00
Travel and entertainment	3,500.00	3,701.18	(201.18)	2,598.66
Elections	-	96.24	(96.24)	1,639.74
Uniforms and accessories	-	355.59	(355.59)	1,039.63
Finance-salaries and wages	45,000.00	41,675.76	3,324.24	34,198.77
Legal and professional	6,500.00	7,458.00	(958.00)	5,895.72
Stationary,printing, postage	2,000.00	-	2,000.00	-
Telephone, elect, gas, water	3,300.00	4,626.63	(1,326.63)	3,248.57
Office supplies	-	2,310.56	(2,310.56)	1,960.50
Sundry expense	-	-	-	3,565.53
Repairs to office equipment	1,000.00	150.00	850.00	443.00
Repairs to building	-	4,275.80	(4,275.80)	(1,166.43)
Miscellaneous	-	1,670.45	(1,670.45)	2,936.04
Public safety				
Police employees retirement	5,850.00	6,533.98	(683.98)	1,920.91
Municipal employees retirement	-	-	-	2,543.45
Payroll taxes	5,500.00	5,273.55	226.45	-
Police dept. salaries & wages	65,000.00	65,068.09	(68.09)	63,823.03
Repairs to equipment	8,000.00	9,799.85	(1,799.85)	7,349.52
Gas & oil	6,000.00	5,962.11	37.89	5,258.25
Equipment	2,500.00	2,546.73	(46.73)	3,059.97
Uniforms and accessories	-	483.30	(483.30)	2,763.45
Sundry expenses	1,000.00	598.58	401.42	686.72
Conferences & Conventions	500.00	406.47	93.53	163.00
Public works				
Payroll taxes	1,200.00	1,452.78	(252.78)	1,228.70
Street dept. salaries & wages	25,000.00	18,937.90	6,062.10	29,407.03
Repair to streets and ditches	2,000.00	307.14	1,692.86	2,001.07
Repair and upkeep of equipment	1,000.00	769.11	230.89	1,094.10
Gas and oil	500.00	320.80	179.20	461.31
Street lights	9,500.00	9,000.85	499.15	10,556.40

VILLAGE OF NAPOLEONVILLE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
CHANGES IN FUND BALANCE—BUDGET (GAAP BASIS)
Schedule 2
Year Ended December 31, 1999
With Comparative Actual Amounts for Year Ended December 31, 1998

	1999		Variance— favorable (unfavorable)	1998 Actual
	Budget	Actual		
Supplies and equipment	\$ 500.00	\$ 1,209.60	\$ (709.60)	\$ 609.34
Utilities - Maintenance	700.00	936.38	(236.38)	531.00
Miscellaneous	1,500.00	808.64	691.36	1,030.80
Health and welfare				
Payroll taxes	-	-	-	3.52
Solid waste salaries & wages	-	-	-	331.60
Landfill expense	11,800.00	-	11,800.00	13,493.35
Garbage collector fees	19,000.00	30,610.39	(11,610.39)	19,061.12
Miscellaneous	-	39.96	(39.96)	-
Culture and recreation				
Payroll taxes	-	811.20	(811.20)	421.20
Community center salaries & wages	10,000.00	10,604.88	(604.88)	10,744.32
Utilities	3,800.00	4,067.66	(267.66)	4,078.49
Supplies	1,500.00	1,008.26	491.74	1,451.98
Repair of building & grounds	1,000.00	443.75	556.25	555.88
Miscellaneous	512.00	988.19	(476.19)	142.94
Capital Outlay				
Other general administration				
Additions to general fixed assets	-	68,596.10	(68,596.10)	-
Public safety				
Additions to general fixed assets	67,000.00	2,913.91	64,086.09	3,996.76
TOTAL EXPENDITURES	377,152.00	376,952.40	199.60	302,452.50
Excess (deficiency) of revenues over expenditures	(110,300.00)	(95,753.34)	14,546.66	1,093.74
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	(110,300.00)	(95,753.34)	14,546.66	1,093.74
Fund Balances at beginning of year	-	275,362.77	275,362.77	274,269.03
Fund Balances at end of year	\$ (110,300.00)	\$ 179,609.43	\$ 289,909.43	\$ 275,362.77

ENTERPRISE FUNDS

Sewer Fund

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

VILLAGE OF NAPOLEONVILLE
SEWER FUND
Schedule 3
COMPARATIVE BALANCE SHEET

December 31, 1999 and 1998

	1999	1998
ASSETS		
Current Assets		
Cash	\$ 36,103.47	\$ 31,809.69
Accounts receivable	6,960.14	6,234.54
Restricted Assets		
Cash	47,148.67	44,870.19
Fixed Assets		
Machinery and equipment - net	725,840.06	750,536.85
TOTAL ASSETS	\$ 816,052.34	\$ 833,451.27
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Curr Liab (from Curr Assets)		
Accounts payable	\$ 313.01	\$ -
Due to other funds	12,064.69	12,064.69
Payroll taxes payable	-	26.76
Curr Liab (from Restr Assets)		
Bonds payable-current portion	3,988.29	3,806.05
Accrued interest payable	1,877.64	2,664.82
Long-Term Liabilities		
Bonds payable	304,723.52	307,943.11
TOTAL LIABILITIES	322,967.15	326,505.43
FUND EQUITY		
Contributed Capital		
Contributed capital	627,970.24	627,970.24
Contribution from FmHA	7,964.95	7,964.95
Retained Earnings		
Unreserved	(142,850.00)	(128,989.35)
TOTAL FUND EQUITY	493,085.19	506,945.84
TOTAL LIABILITIES AND FUND EQUITY	\$ 816,052.34	\$ 833,451.27

VILLAGE OF NAPOLEONVILLE
SEWER FUND
STATEMENT OF REVENUES, EXPENDITURES
CHANGES IN RETAINED EARNINGS
Statement 4
Year Ended December 31, 1999
With Comparative Actual Amounts for Year Ended December 31, 1998

	1999		Variance— favorable (unfavorable)	1998
	Budget	Actual		Actual
OPERATING REVENUES				
Fees, charges and commissions				
Sewerage fees		\$ 88,618.81		\$ 89,889.18
Total operating revenues		88,618.81		89,889.18
OPERATING EXPENSES				
Health and welfare				
Unemployment insurance		3.56		3.33
Social security tax		1,316.54		-
Insurance		2,496.61		2,935.99
Billing and collecting fees		3,985.92		3,760.25
Salaries and wages		22,181.55		20,443.59
Repairs to system		6,920.20		6,021.77
Electricity		8,858.46		8,674.85
Tools and sundry equipment		1,728.66		73.68
Sewerage material and supply		10,250.92		6,996.56
Miscellaneous		1,219.45		636.46
Inspection and testing		1,366.00		1,385.00
Water		3,178.59		1,278.56
D E Q fees		713.08		666.58
Depreciation		24,696.79		24,696.81
Legal and professional		876.66		373.00
Bond interest		18,686.47		17,008.82
Total operating expenses		108,479.46		94,955.25
Operating income		(19,860.65)		(5,066.07)
NONOPERATING REVENUES (EXPENSES)				
Nonoperating Revenues				
Miscellaneous revenue		6,000.00		400.00
Total operating transfers		6,000.00		400.00
Net Income		(13,860.65)		(4,666.07)
Retained Earnings/Fund Balance, beginning of year		(128,989.35)		(124,323.28)

VILLAGE OF NAPOLEONVILLE
 SEWER FUND
 STATEMENT OF REVENUES, EXPENDITURES
 CHANGES IN RETAINED EARNINGS
 Statement 4
 Year Ended December 31, 1999
 With Comparative Actual Amounts for Year Ended December 31, 1998

	1999		Variance— favorable (unfavorable)	1998
	Budget	Actual		Actual
Retained Earnings/Fund Balance, end of year		\$ (142,850.00)		\$ (128,989.35)

SUPPLEMENTAL INFORMATION

VILLAGE OF NAPOLEONVILLE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 1999

I have audited the financial statements of The Village of Napoleonville, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 7, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 1999, resulted in an unqualified opinion.

Section I Summary of Auditor's Results

	YES	NO	N/A
<i>Financial Statements</i>			
Internal control over financial reporting:			
Material weakness(es)		X	
Reportable condition(s)		X	
Noncompliance material to the financial statements		X	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified			X
Reportable condition(s) identified			X
Type of auditor's report on compliance for major programs			X
Any findings required to be reported by Section 510(a) of Circular A-133			X

Identification of Major Programs:

CFDA Number(s) _____ Name of Federal Program (or Cluster) _____

Not applicable

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

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No N/A

Section II Financial Statement Findings

Current Year Findings

No findings to report.

Prior Year Findings

No findings to report.

Section III Federal Award Findings and Questioned Costs

No findings to report.

VILLAGE OF NAPOLEONVILLE

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended December 31, 1999

Section I-Internal Control and Compliance Material to the Financial Statements:

No findings reported.

Section II-Internal Control and Compliance Material to Federal Awards:

No findings reported.

Section III-Management Letter:

No findings reported.

VILLAGE OF NAPOLEONVILLE

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

For the Year Ended December 31, 1999

SECTION I-Internal Control and Compliance Material to the Financial Statements:

Finding 98-1 has been resolved.

SECTION II-Internal Control and Compliance Material to the Federal Awards:

No findings reported.

SECTION III-Management Letter:

No findings reported.

VILLAGE OF NAPOLEONVILLE

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

For the Year Ended December 31, 1999

SECTION I-Internal Control and Compliance Material to the Financial Statements:

Finding 98-1 has been resolved.

SECTION II-Internal Control and Compliance Material to the Federal Awards:

No findings reported.

SECTION III-Management Letter:

No findings reported.