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VILLAGE OF WILSON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-26-00

VILLAGE OF WILSON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1999
WITH SUPPLEMENTAL INFORMATION SCHEDULES

TABLE OF CONTENTS

	<u>Page No.</u>
GENERAL PURPOSE FINANCIAL STATEMENTS	
Independent Auditor's Report	1
Combined Balance Sheet - All Fund Types and Account Groups	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General and Special Revenue Funds	5
Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Types	6
Statement of Cash Flows - Proprietary Fund Types	7
Notes to Financial Statements	10
SUPPLEMENTAL INFORMATION SCHEDULES	
Schedule of Compensation Paid to Governing Members	22
Schedule of Operating Expenses - Proprietary Fund Types	23
Schedule of Expenditures of Federal Awards	24
Notes to the Schedule of Expenditures of Federal Awards	25
Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	26

VILLAGE OF WILSON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1999
WITH SUPPLEMENTAL INFORMATION SCHEDULES

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report on Compliance Based on an Audit of General Purpose or Basic Financial Statements Performed in Accordance with Government Auditing Standards	28
Schedule of Findings and Questioned Costs	30
Management's Corrective Action Plan	32
Summary Schedule of Prior Year Findings	33

GENERAL PURPOSE FINANCIAL STATEMENTS

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(504) 775-4982

Independent Auditor's Report

November 30, 1999

The Honorable Earl Ravencraft, Mayor
and Board of Alderpersons
Village of Wilson, Louisiana
P. O. Box 40
Wilson, Louisiana 70789

We have audited the accompanying general-purpose financial statements of the Village of Wilson, Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Wilson's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.


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

The Honorable Jewel E. Ravencraft, Mayor
and the Board of Alderpersons
November 30, 1999
page 2

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Wilson, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 1999, on our consideration of the Village of Wilson, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Also, the other accompanying 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. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



John D. Butler & Company
A Professional Accounting Corporation

**VILLAGE OF WILSON, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999**

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Account Groups</u>	<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>
ASSETS					
Cash & cash equivalents	\$ 33,207.81	\$ 6,214.80	\$ 25,623.61	\$.00	\$ 65,046.22
Investments	12,623.04	53,125.51	61,279.04	.00	127,027.59
Accounts receivable (net of allowance for uncollectibles)	.00	.00	50,957.87	.00	50,957.87
Due from other gov't. agencies	.00	.00	6,600.00	.00	6,600.00
Restricted assets: Investments	.00	.00	14,160.56	.00	14,160.56
Fixed assets (net, where applicable, of accumulated depreciation)	.00	.00	1,302,682.26	153,313.31	1,455,995.57
Accrued interest receivable	210.18	563.23	769.83	.00	1,543.24
Franchise tax receivable	2,897.18	.00	.00	.00	2,897.18
Tobacco tax receivable	955.70	.00	.00	.00	955.70
Sales tax receivable	.00	7,187.59	.00	.00	7,187.59
TOTAL ASSETS	49,893.91	67,091.13	1,462,073.17	153,313.31	1,732,371.52
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	884.88	436.39	3,319.57	.00	4,640.84
Construction payable	.00	.00	6,600.00	.00	6,600.00
Deferred revenue	3,330.02	.00	.00	.00	3,330.02
Payables from restricted assets: Customer deposits	.00	.00	14,160.56	.00	14,160.56
Total Liabilities	4,214.90	436.39	24,080.13	.00	28,731.42
Fund Equity:					
Contributed capital	2,988.39	.00	1,292,927.50	.00	1,295,915.89
Investment in general fixed assets	.00	.00	.00	153,313.31	153,313.31
Retained earnings: Unreserved & undesignated	.00	.00	145,065.54	.00	145,065.54
Fund Balance: Unreserved & undesignated	42,690.62	66,654.74	.00	.00	109,345.36
Total Fund Equity	45,679.01	66,654.74	1,437,993.04	153,313.31	1,703,640.10
TOTAL LIABILITIES AND FUND EQUITY	49,893.91	67,091.13	1,462,073.17	153,313.31	1,732,371.52

The accompanying notes are an integral part of this statement.

**VILLAGE OF WILSON, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE -
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 1999**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
REVENUES			
Occupational licenses	\$ 7,238.42	\$.00	\$ 7,238.42
Franchise fees	13,831.77	.00	13,831.77
State revenue sharing	2,661.00	.00	2,661.00
Tobacco taxes	3,822.80	.00	3,822.80
Interest earned	495.51	1,982.05	2,477.56
Fines	31,133.77	.00	31,133.77
Grant proceeds	30,615.35	.00	30,615.35
Sales tax revenues	.00	37,008.21	37,008.21
Miscellaneous	437.60	.00	437.60
	<hr/>		<hr/>
Total Revenues	90,236.22	38,990.26	129,226.48
EXPENDITURES			
General government	26,525.94	.00	26,525.94
Public safety:			
Police	18,492.74	.00	18,492.74
Fire	735.29	.00	735.29
Public works	.00	34,454.41	34,454.41
Capital outlay	34,540.85	.00	34,540.85
	<hr/>		<hr/>
Total Expenditures	80,294.82	34,454.41	114,749.23
Excess of Revenues over Expenditures	9,941.40	4,535.85	14,477.25
OTHER FINANCING SOURCES (USES)			
Operating transfers in	.00	.00	.00
Operating transfers out	.00	.00	.00
	<hr/>		<hr/>
Total Other Financing Sources (Uses)	.00	.00	.00
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	9,941.40	4,535.85	14,477.25
Fund Balance, beginning	32,749.22	62,118.89	94,868.11
	<hr/>		<hr/>
Fund Balance, ending	42,690.62	66,654.74	109,345.36

The accompanying notes are an integral part of this statement.

VILLAGE OF WILSON, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 1999

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Occupational licenses	\$ 6,900.00	\$ 7,238.42	\$ 338.42	\$.00	\$.00	\$.00
Franchise fees	13,800.00	13,831.77	31.77	.00	.00	.00
State revenue sharing	2,200.00	2,661.00	461.00	.00	.00	.00
Tobacco taxes	3,800.00	3,822.80	22.80	.00	.00	.00
Interest earned	500.00	495.51	(4.49)	1,700.00	1,982.05	282.05
Fines	19,000.00	31,133.77	12,133.77	.00	.00	.00
Sales tax revenues	.00	.00	.00	32,700.00	37,008.21	4,308.21
Grant proceeds	.00	30,615.35	30,615.35	.00	.00	.00
Miscellaneous	4,900.00	437.60	(4,462.40)	.00	.00	.00
Total Revenues	51,100.00	90,236.22	39,136.22	34,400.00	38,990.26	4,590.26
EXPENDITURES						
General government	27,000.00	26,525.94	474.06	.00	.00	.00
Public safety:						
Police	18,000.00	18,492.74	(492.74)	.00	.00	.00
Fire	700.00	735.29	(35.29)	.00	.00	.00
Public works	.00	.00	.00	30,000.00	34,454.41	(4,454.41)
Capital outlay	12,400.00	34,540.85	(22,140.85)	.00	.00	.00
Total Expenditures	58,100.00	80,294.82	(22,194.82)	30,000.00	34,454.41	(4,454.41)
Excess (Deficiency) of Revenues over Expenditures	(7,000.00)	9,941.40	16,941.40	4,400.00	4,535.85	135.85
OTHER FINANCING SOURCES (USES)						
Operating transfers in	4,400.00	.00	(4,400.00)	.00	.00	.00
Operating transfers out	.00	.00	.00	(4,400.00)	.00	4,400.00
Total Other Financing Sources (Uses)	4,400.00	.00	(4,400.00)	(4,400.00)	.00	4,400.00
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(2,600.00)	9,941.40	12,541.40	.00	4,535.85	4,535.85
Fund Balance, beginning	32,749.00	32,749.22	.22	62,119.00	62,118.89	(.11)
Fund Balance, ending	30,149.00	42,690.62	12,541.62	62,119.00	66,654.74	4,535.74

The accompanying notes are an integral part of this statement.

**VILLAGE OF WILSON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNING
PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1999**

OPERATING REVENUES	
Water sales	\$ 54,033.31
Sewer fees	22,882.00
Miscellaneous income	522.50
Grant proceeds	<u>471.03</u>
Total Operating Revenues	77,908.84
OPERATING EXPENSES	
Personal services	16,232.40
Employee & related expenses	32,860.07
Occupancy	15,500.61
Administrative	11,605.53
Depreciation	<u>33,588.43</u>
Total Operating Expenses	<u>109,787.04</u>
Operating Loss	(31,878.20)
NON-OPERATING REVENUES (EXPENSES)	
Interest earned	<u>860.87</u>
Net Loss	(31,017.33)
Depreciation on sewer system and water well acquired by grant	29,220.72
Retained earnings, unreserved, beginning	65,812.20
Adjustment to prior periods	<u>26,545.22</u>
Retained earnings, unreserved, ending	<u>90,560.81</u>

The accompanying notes are an integral part of this statement.

**VILLAGE OF WILSON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1999**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 131,692.66
Cash paid to employees for services	(32,136.49)
Cash paid to suppliers for goods & services	<u>(43,241.43)</u>
Net Cash Provided by Operating Activities	56,314.74
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
	.00
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash received from grants	236,408.96
Acquisition/construction of capital assets	(288,198.43)
Proceeds from sale of capital assets	<u>260.93</u>
Net Cash Used in Capital and Related Financing	(51,528.54)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	91.04
Proceeds from investments converted to cash	<u>2,500.00</u>
Net Cash Provided By Investing Activities	<u>2,591.04</u>
Net Increase in Cash and Cash Equivalents	7,377.24
Cash and Cash Equivalents, Beginning of Year	<u>18,246.37</u>
Cash and Cash Equivalents, End of Year	<u><u>25,623.61</u></u>

Continued

**VILLAGE OF WILSON, LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1999**

RECONCILIATION OF OPERATING LOSS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES:

Operating loss	\$ (31,878.20)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	33,588.43
Changes in assets and liabilities:	
decrease in accounts receivable	52,955.08
increase in accounts payable	820.69
increase in customer deposits	<u>828.74</u>
Total adjustments	<u>88,192.94</u>
Net Cash Provided by Operating Activities	<u>56,314.74</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999**

INTRODUCTION

The Village of Wilson, Louisiana (hereafter referred to as the Village) was created under the provisions of the Lawrason Act, Louisiana Revised Statute No. 33:321, in 1960. Therefore, it operates under a Mayor-Board of Aldermen form of government.

The Mayor and three Alderpersons are elected at large every four years by the citizens of the Village. They are compensated for their services.

The purpose of the municipality is to promote the general welfare and the safety, health, peace, good order, comfort, convenience and morals of its inhabitants.

The Village is situated in the northwest part of East Feliciana Parish. It is approximately 28.5 square miles in size with a population of 806 persons. Within the boundaries are approximately 10 miles of roads maintained by the Village. It is currently servicing 300 water customers, 119 sewer customers and employs 8 persons.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting and reporting practice of the Village conforms 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:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Village includes all funds and account groups which are controlled by or dependent on the Village which was determined on the basis of oversight responsibility, including accountability for fiscal and budget matters, designation of management or governing authority and authority to issue debt. Certain units of local government over which the Village of Wilson, Louisiana exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected officials, and other municipalities within the parish, are excluded from the accompanying financial statements.

These units of government are considered separate reporting entities and issue financial statements separate from those of the Village.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Fund Accounting: The Village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the Village are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the Village's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund - the general operating fund of the Village and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Funds: Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

1. Enterprise Funds - account for operations (a) 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 incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resource measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental fund types. The Village maintains its books on the cash basis during the year.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred.

The following revenue sources have been treated as susceptible to accrual under the modified accrual basis:

Taxes - Includes franchise, tobacco and sales;
Licenses - Includes occupational.

Budgets and Budgetary Accounting: The Village adopts an annual budget for the General Fund, Special Revenue Fund and Enterprise Fund. It is prepared in accordance with the basis of accounting utilized by that fund. Any revisions that alter the total expenditures must be approved by the Board of Alderpersons. Budgeted amounts shown are as originally adopted or as amended by the Board. Budget amendments are passed on an as-needed basis. A balanced budget is required.

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest bearing demand deposits, and certificates of deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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.

Investments: Investments are limited by La. R.S. 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. All investments of the Village are certificates of deposit held at Feliciana Bank & Trust Co., and the fair value is determined by the face value of the certificate.

Restricted Assets: Certain proceeds of enterprise funds are classified as restricted assets on the balance sheet because their use is limited. Components of these assets are as follows:

	<u>Customer Deposits</u>
Certificates of Deposit	<u>\$ 14,160.56</u>

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Fixed Assets: Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized in the General Fixed Assets Account Group. Public domain or infrastructures are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Donated assets are valued at their estimated fair value on the date of donation.

Fixed assets used in proprietary fund operations are included on the balance sheet of the fund net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method with the following and useful lives:

Water System	50 years
Office equipment	4 years
Equipment	5 years
Sewer system	50 years

Depreciation of contributed assets is charged against contributed capital as opposed to retained earnings.

Compensated Absences: The Village does not have compensated absences.

Long-Term Obligations: Long-term obligations expected to be financed from governmental funds are reported in the General Long-Term Debt Account Group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be refinanced from proprietary fund operations are accounted for in those funds. At June 30, 1999, the Village had no long-term debt.

Fund Equity:

Fund equity includes the following:

1. Contributed Capital is recorded in proprietary funds for grants restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.
2. Reserves represents those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.
2. Designated Fund Balances represents tentative plans for future use of financial resources.

**VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999**

Interfund Transactions: All interfund transactions, except quasi-external transactions, are reported as operating transfers.

Sales Taxes: Sales taxes are levied by the Police Jury of East Feliciana Parish and allocated to the Village according to their population.

Total Columns on Combined Statements: 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 do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - CASH AND CASH EQUIVALENTS

The cash and cash equivalents on hand (book balances) at June 30, 1999, are as follows:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	
Petty cash	\$ 20.00	\$ 20.00	
Demand deposits	<u>39,402.61</u>	<u>25,603.61</u>	
Total	<u>39,422.61</u>	<u>25,623.61</u>	

These deposits are stated at cost, which approximates market. Under state law, they 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.

At June 30, 1999, the Village had \$ 66,133.70 in deposits. These deposits are secured from risk by \$100,000 of federal deposit insurance. Bank balances are as follows:

General Fund	\$ 33,512.23
Special Revenue Fund	6,445.78
Enterprise Fund	<u>26,175.69</u>
Feliciana Bank & Trust Co.	<u>66,133.70</u>

**VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999**

NOTE 3 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

- (1) Insured or registered, or securities held by the municipality or its agent in the municipality's name;
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the municipality's name; or
- (3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the municipality's name.

All investments of the Village fall within category 1. The balances at June 30, 1999, are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Carrying Amount</u>
Certificate of deposit	\$ <u>141,188.15</u>	\$ <u>141,188.15</u>	\$ <u>141,188.15</u>

These certificates are secured from risk by \$100,000 of federal deposit insurance and \$150,000 of pledged securities held by Feliciana Bank & Trust Co. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. R.S. 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposit funds upon demand.

NOTE 4 - RECEIVABLES

The following is a summary of receivables at June 30, 1999:

<u>Class</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Accounts	\$.00	\$.00	\$ 50,957.87	\$ 50,957.87
Accrued interest	210.18	563.23	769.83	1,543.24
Taxes:				
Franchise	2,897.18	.00	.00	2,897.18
Tobacco	955.70	.00	.00	955.70
Sales	.00	7,187.59	.00	7,187.59
Other	.00	.00	6,600.00	6,600.00
Total	<u>4,063.06</u>	<u>7,750.82</u>	<u>58,327.70</u>	<u>70,141.58</u>

**VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999**

Utility meters are read on the 15th of each month and bills computed and mailed by the 25th of each month. The amount of water used from the date the meter is read until the end of the month is an unbilled receivable in the Enterprise Fund. It is included in Accounts Receivable in the accompanying financial statements at \$3,360.35.

An allowance for bad debts is determined by a percentage based on prior year's experience. At June 30, 1999, the allowance was calculated as \$ 506.08 in the Enterprise Fund.

NOTE 5 - FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land	\$ 16,005.59	\$.00	\$.00	\$ 16,005.59
Buildings	19,637.51	15,483.38	.00	35,120.89
Equipment	64,613.16	7,495.47	1,194.00	70,914.63
Vehicles	25,125.03	11,562.00	5,414.83	31,272.20
Total	<u>125,381.29</u>	<u>34,540.85</u>	<u>6,608.83</u>	<u>153,313.31</u>

A summary of proprietary property, plant and equipment at June 30, 1999, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water plant	\$ 482,082.63	\$ 234,209.59	\$.00	\$ 716,292.22
Equipment	19,977.31	1,626.95	267.62	21,336.64
Sewer system	745,423.33	.00	.00	745,423.33
Total	<u>1,247,483.27</u>	<u>235,836.54</u>	<u>267.62</u>	1,483,052.19
Less: accumulated depreciation				<u>(180,369.93)</u>
Net				<u>1,302,682.26</u>

NOTE 6 - PENSION PLAN

The Village pays social security and medicare on its employees. No other system of retirement is currently in place.

**VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999**

NOTE 7 - ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 1999:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Accounts (including withholdings)	\$ 884.88	\$ 436.39	\$ 3,319.57	\$ 4,640.84
Construction	.00	.00	6,600.00	6,600.00
 Total	 <u>884.88</u>	 <u>436.39</u>	 <u>9,919.57</u>	 <u>11,240.84</u>

NOTE 8 - DEFERRED REVENUE

Deferred revenue is as follows at June 30, 1999:

Occupational licenses \$ 3,330.02

The Village operates in a fiscal year while occupational licenses are issued for a calendar year. Funds received for the period 7/01/99 to 12/31/99 was \$3,330.02.

NOTE 9 - CHANGES IN CONTRIBUTED CAPITAL

The following is a summary of changes in contributed capital:

	<u>General Fund</u>	<u>Enterprise Fund</u>
Balance, beginning of year	\$ 1,942.39	\$ 1,085,739.26
Contributions from grant	.00	236,408.96
Contribution from other gov't agency	1,046.00	.00
Depreciation	.00	<u>(29,220.72)</u>
 Balance, end of year	 <u>2,988.39</u>	 <u>1,292,927.50</u>

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 10 - PROPRIETARY FUND SEGMENT INFORMATION

The Village maintains one enterprise fund which provides water and sewer services. Segment information for the year ended June 30, 1999, is as follows:

Operating revenues	\$ 77,908.84
Depreciation	33,588.43
Operating loss	(31,878.20)
Current capital contributions	236,408.96
Fixed asset additions	235,836.54
Net working capital	74,031.74
Total equity	1,437,993.04
Total assets	1,462,073.17

NOTE 11 - RELATED PARTY TRANSACTIONS

There were no related party transactions that came to our attention during our audit.

NOTE 12 - LITIGATION

There is no litigation that came to our attention that would require disclosure in the accompanying financial statements.

NOTE 13 - STATEMENT OF CASH FLOWS FOR PROPRIETARY FUNDS

For purposes of the Statement of Cash Flows, for proprietary fund types, all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased are considered to be cash equivalents. The cash and cash equivalents as stated on the Statement of Cash Flows is as follows:

	<u>Unrestricted</u>
Water	\$ 18,631.43
Sewer	<u>6,992.18</u>
Total	<u>25,623.61</u>

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 14 - PRIOR PERIOD ADJUSTMENTS

Prior period adjustments represent corrections to the financial statements of prior years. The following adjustments were made as of June 30, 1999:

	<u>Enterprise Fund</u>
Recognize amount due from former employee based on prior year findings less amount attributable to current year	\$ <u>26,545.22</u>

NOTE 15 - YEAR 2000 CONSIDERATIONS

The origin of the Year 2000 problem is a result of additional expense and limited availability of memory that computer programmers were faced with when computers first originated. Programmers opted to abbreviate calendar years to digits which will become a problem on January 1, 2000, when systems containing this two-digit code may interpret January 1, 2000 as January 1, 1900.

The Village may be adversely affected by the "Y2K" problem, as it is being called, if its computer systems and other date-sensitive equipment does not process data from and after January 1, 2000. Because the likelihood that such a situation may occur is reasonably possible but an associated amount of loss is undeterminable, a contingent liability is not recorded in the accompanying financial statements.

The Village has taken and is continuing to take steps designated to address the Year 2000 issue. However, there are no assurances that these steps will be sufficient to avoid adverse effects.

NOTE 16 - SUBSEQUENT EVENTS

The Village completed construction on a water well financed with a Louisiana Community Development Block Grant during the current year. While this new water well is being used, it contains high levels of iron. A phosphate derivative, different from the phosphates traditionally used by the Village, is being used to try to eliminate this problem. The drilling company is testing the water on a weekly basis, which was recommended by the engineers, and will continue to do so for a three month period. It is not determined at this time what the plan of action will be if high levels of iron remain after January, 2000. Whatever is required, there will most likely be a financial impact to the Village of no less than approximately \$20,000.

**VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999**

Based on findings in the prior year's audit, an employee of the Village was charged with theft and malfeasance in office. On November 23, 1999, this employee reached a plea bargain with the 20th Judicial District prosecutors that provided for a suspended five-year *prison term, ten years probation and a fine of \$1,000*. In addition, the amount of funds stolen of \$37,966 must be repaid. This amount is recorded as a receivable on the accompanying financial statements. The amount attributable to prior years is recognized as a prior period adjustment. Because collection is a condition of the sentence, no allowance was recognized at June 30, 1999.

SUPPLEMENTAL INFORMATION SCHEDULES

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
YEAR ENDED JUNE 30, 1999**

The following information is provided in compliance with House Concurrent Resolution No. 54 of the Louisiana Legislature.

<u>Name</u>	<u>Amount</u>
Mayor Jewel E. Ravencraft	\$ 6,142.50
Alderwoman Barbara Hayes	1,299.47
Alderwoman Betty Sterling	4,584.85
Alderwoman Ione Palmer	<u>1,299.47</u>
 Total	 <u>13,326.29</u>

The additional funds paid to Alderperson Sterling were for services rendered as utility clerk for the period January through June 1999.

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF OPERATING EXPENSES
PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1999**

Personal Services:

Repairs	\$ 8,522.56
Bad debts	118.50
Other taxes & licenses	520.69
Sewer testing fees	1,706.85
Chemicals & supplies	<u>5,363.80</u>

Total Personal Services 16,232.40

Employee & Related Expenses:

Insurance	2,855.52
Salaries	28,049.48
Payroll taxes	1,579.79
Training & seminars	<u>375.28</u>

Total Employee & Related Expenses 32,860.07

Occupancy:

Insurance	4,908.05
Utilities & telephone	<u>10,592.56</u>

Total Occupancy 15,500.61

Administrative:

Bank charges	4.00
Dues & subscriptions	150.00
Professional fees	7,366.59
Office expense	1,467.94
Postage	976.31
Computer service	1,505.40
Advertising	<u>135.29</u>

Total Administrative 11,605.53

Depreciation:

Depreciation - water	18,679.96
Depreciation - sewer	<u>14,908.47</u>

Total Depreciation 33,588.43

Total Operating Expenses 109,787.04

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 1999**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U. S. Department of Housing and Urban Development: Pass-Through Louisiana Division of Administration Community Development Block Grant Contract No. 770-0101	 N/A	 \$ 295,371.48

The accompanying notes are an integral part of this schedule.

VILLAGE OF WILSON, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 1999

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Village of Wilson, Louisiana and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

November 30, 1999

The Honorable Jewel E. Ravencraft, Mayor
and the Board of Alderpersons
P. O. Box 40
Wilson, Louisiana 70789

We have audited the general purpose financial statements of the Village of Wilson, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 30, 1999.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

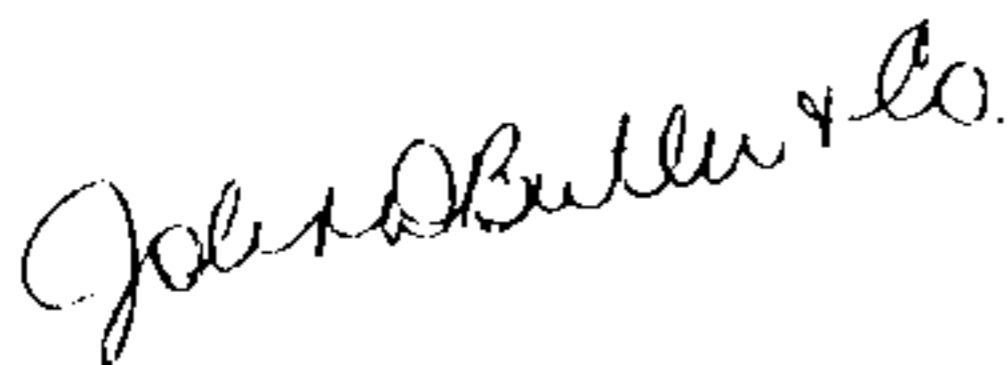
The management of the Village of Wilson, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

The Honorable Jewel E. Ravencraft, Mayor
and the Board of Alderpersons
November 30, 1999
page 2

In planning and performing our audit of the general purpose financial statements of the Village of Wilson, Louisiana, for the year ended June 30, 1999, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design or relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village of Wilson, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs under "Section II Financial Statement Findings."

A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable conditions described above are material weaknesses.

This report is intended for the information of the Board of Alderpersons, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE OR BASIC
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

November 30, 1999

The Honorable Jewel E. Ravencraft, Mayor,
and the Board of Alderpersons
Village of Wilson, Louisiana
P. O. Box 40
Wilson, Louisiana 70789

We have audited the general purpose financial statements of the Village of Wilson, Louisiana, as of and for the year ended June 30, 1999 and have issued our report thereon dated November 30, 1999.

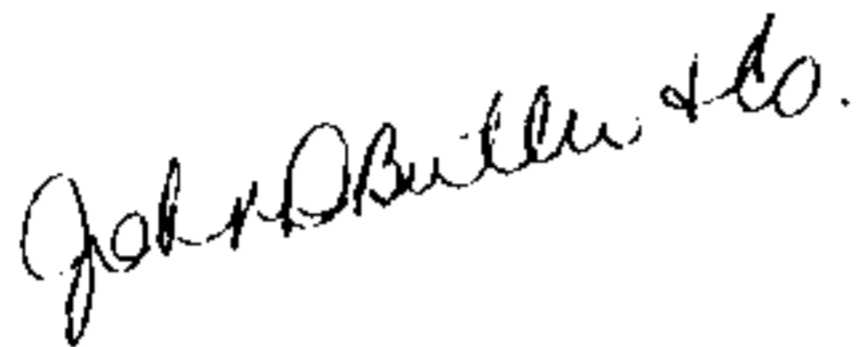
We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Village of Wilson, Louisiana, is the responsibility of the Village of Wilson, Louisiana's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Village of Wilson, Louisiana's, compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The Honorable Jewel E. Ravencraft, Mayor
and the Board of Alderpersons
November 30, 1999
page 2

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Alderpersons, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "John D. Butler & Co.".

John D. Butler & Company
A Professional Accounting Corporation

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1999**

We have audited the financial statements of the Village of Wilson, Louisiana as of and for the year ended June 30, 1999, and have issued our report thereon dated November 30, 1999. We conducted our 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. Our audit of the financial statements as of June 30, 1999, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

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

Internal Control	Material Weakness	<input checked="" type="checkbox"/>	Yes
	Reportable Condition	<input checked="" type="checkbox"/>	Yes
 Compliance	 Compliance Material to F/S	 <input checked="" type="checkbox"/>	 No

B. Federal Awards

N/A

C. Identification of Major Programs

None

Continued

VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 1999

Section II Financial Statement Findings

99-1 WATER/SEWER RECEIVABLES

There were no policies or procedures in place during the first part of the year to require monthly reconciliation of receivables. The computer service used to print monthly statements includes as past due the amount remitted by the clerk without any consideration of collections since the prior billing. There was also limited oversight of the single employee responsible for billing, collections and reporting.

As a result of the above, past due amounts were written off without proper authority, and the safeguarding of cash was jeopardized. The Utility Clerk admitted to writing off her balance as well as the balances of two other employees, one of which is a relative. She stated, however, that she did so with approval from the Mayor. Upon inquiry, the Mayor contested that he gave such authority. The estimated cost of these write-offs, based on average monthly billings, is \$200.

It is recommended that a cash receipts journal be maintained by someone other than the clerk that records payments and deposits cash. A reconciliation should be made on a monthly basis indicating past due amounts at the beginning, sales and collections during the month and past due amounts at the end. It should be prepared by the clerk but reviewed and initialed by someone else. The past due report submitted to the alderpersons each month should include the prior month's accounts indicating payment dates during the month.

99-2 WATER/SEWER COLLECTIONS

Also as a result of the lack of control mentioned in Finding 99-1, the integrity of collections was jeopardized. Upon testing of water sales, it was discovered that the collections were less than expected based on beginning/ending receivables and sales.

Section III Federal Award Findings and Questioned Costs

N/A

**VILLAGE OF WILSON, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 1999**

Section I Internal Control and Compliance Material to the Financial Statements

99.1 WATER/SEWER RECEIVABLES

The Village purchased a computer and software to record the activity of its customers. This program eliminated the need for an outside company to create monthly bills as the billings and collections entered by customer computes and prints bills. The Village began utilizing this system in May of 1999. A cash receipts journal was instituted in January of 1999, which is reconciled to deposits prepared and evidenced by someone other than the utility clerk. This same journal is reconciled monthly to the bank statements. The computer system prints a receipts journal which is reconciled to the manual record as well as the deposits recorded on the bank statement.

This system, for the period that it has been in place, appears to be working.

99.2 WATER/SEWER COLLECTIONS

The Village cooperated fully with the investigation conducted by the Legislative Auditor's office based on prior year findings. The utility clerk was placed on administrative leave immediately following notification that there were problems with collections. Following the investigation, this employee was terminated. As a result of this and the procedures instituted and explained under the preceding plan (99.1 Water/Sewer Receivables), the problems that existed at June 30, 1998, do not exist at June 30, 1999.

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

**VILLAGE OF WILSON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 1999**

Section I Internal Control and Compliance Material to the Financial Statements

98.1 WATER/SEWER RECEIVABLES

A cash receipts journal is being used which is reconciled to deposits by someone other than the utility clerk daily. This same journal is reconciled to the bank records at the end of each month. No balances are written off nor or partial payments accepted. Balances must be paid in full.

A monthly reconciliation of the receivables is done each month. In 5/99, the Village purchased software to prepare its own billings. This system allows greater control as it computes the amount due based on billings and collections. A summary of collections printed through the system is reconciled to the cash receipts journal as deposits are prepared and again at the end of the month with the bank statements.

98.2 WATER/SEWER COLLECTIONS

Following an investigative audit, the utility clerk's employment was terminated. Upon notification that problems were discovered, she was placed on administrative leave. The Village reacted promptly to avoid further losses.

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

M98.1 Accounts Receivable Write-Offs	To provide proper evidence of approval	Resolved
M98.2 Tickets	To effectively trace distribution and disposition of tickets	Resolved
M98.3 Budget Variances	To adopt procedure for reviewing variances each month	Resolved