

RECEIVED
LEGISLATIVE AUDITOR
1999 DEC 29 PM 1:14

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

VILLAGE OF SLAUGHTER, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS

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 1-19-2000

VILLAGE OF SLAUGHTER
TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Combined Balance Sheet - All Fund Types and Account Groups	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General Fund and Special Revenue Fund	6
Combined Statements of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Type (Enterprise Fund)	8
Combined Statements of Cash Flows - Proprietary Fund Type (Enterprise Fund)	9
Notes to the Financial Statements	10
Supplementary Information	23
Combining Balance Sheet - Enterprise Fund	24
Combining Statements of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Type (Enterprise Fund)	25
Combining Statements of Cash Flows - Proprietary Fund (Enterprise Fund)	26
Schedule of Principal Officials and Salaries	28
General Fund - General Governmental Expenditures	29
General Fund - Public Safety Expenditures	30
Special Revenue Fund - Street and Sidewalk Fund - Public Works Expenditures	31
Other Reports Required by Government Auditing Standards	32

VILLAGE OF SLAUGHTER
TABLE OF CONTENTS
CONCLUDED

	<u>PAGE</u>
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33
Independent Auditor's Schedule of Findings And Questioned Costs	35
Schedule of Expenditures of Federal Awards	40
Additional Data	41
Insurance in Force	42
Statistics on Public Utility System Operations	43

JAMES M. CAMPBELL
CERTIFIED PUBLIC ACCOUNTANT

(225) 926-6047
(225) 928-0146
(225) 926-6270 Fax

A PROFESSIONAL CORPORATION
8939 Jefferson Hwy. First Floor, Suites A B C
Baton Rouge, Louisiana 70809

October 22, 1999

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Board of Aldermen
Village of Slaughter
P.O. Box 29
Slaughter, Louisiana 70777

Gentlemen:

I have audited the accompanying general purpose financial statements of the

Village of Slaughter

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 Slaughter'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 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 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 Slaughter, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

Member of:

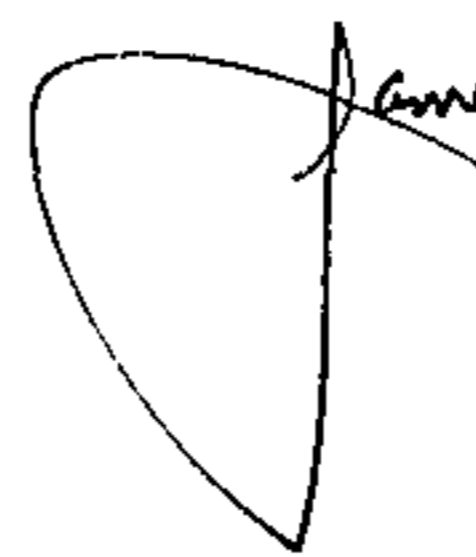
American Institute of Certified Public Accountants
Arkansas Society of Certified Public Accountants
Society of Louisiana CPA's

INDEPENDENT AUDITOR'S REPORT
(CONCLUDED)

The supplementary information, combining and account group financial statements, and additional data listed in the table of contents are presented for the purpose of additional analysis, and are not a required part of the general purpose financial statements of the Village of Slaughter. Such information, except for that portion marked "Unaudited", on which I express no opinion, 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.

In accordance with Government Auditing Standards, I have also issued a report dated October 22, 1999, on my consideration of the Village of Slaughter's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

My audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Village of Slaughter, taken as a whole. 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. 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 stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

 James M. Campbell CPA, APC

VILLAGE OF SLAUGHTER
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999

	<u>GOVERNMENTAL FUND TYPE</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
<u>ASSETS</u>		
Cash	\$ 33,887	\$
Cash - restricted	25,619	
Certificates of deposit	40,000	
Accounts receivable		3,827
Due from other funds	108,570	
General fixed assets		
Fixed assets (net)		
<u>Total Assets</u>	<u>208,076</u>	<u>3,827</u>
 <u>LIABILITIES</u>		
Bank Overdraft		92,190
Accounts payable	5,130	1,179
Current portion of long-term debt		
Due to other funds	7,086	66,217
Accrued vacation	1,527	2,253
Meter deposits		
Accrued interest payable		
Note payable		
Other liabilities	5,005	163
<u>Total Liabilities</u>	<u>18,748</u>	<u>162,002</u>
 <u>FUND EQUITY</u>		
Investments in general fixed assets		
Retained earnings:		
Unreserved		
Fund balance:		
Unreserved - undesignated	189,328	
Unreserved - designated for streets and sidewalks		(158,175)
<u>Total Fund Equity</u>	<u>189,328</u>	<u>(158,175)</u>
<u>Total Liabilities and Fund Equity</u>	<u>208,076</u>	<u>3,827</u>

The accompanying notes are an integral part of this statement.

<u>PROPRIETARY FUND TYPE</u>	<u>ACCOUNT GROUP GENERAL FIXED ASSETS</u>	<u>TOTAL (MEMORANDUM ONLY) 1999</u>
<u>ENTERPRISE</u>		
\$ 220,253		\$ 254,140
137,615		163,234
27,897		40,000
		31,724
		108,570
	\$ 296,304	296,304
<u>1,375,430</u>		<u>1,375,430</u>
<u>1,761,195</u>	<u>296,304</u>	<u>2,269,402</u>
2,323		92,190
13,578		8,632
35,267		13,578
3,489		108,570
18,088		7,269
3,044		18,088
1,431,476		3,044
1,644		1,431,476
<u>1,508,909</u>		<u>6,812</u>
		<u>1,689,659</u>
	296,304	296,304
252,286		252,286
		189,328
		(158,175)
<u>252,286</u>	<u>296,304</u>	<u>579,743</u>
<u>1,761,195</u>	<u>296,304</u>	<u>2,269,402</u>

VILLAGE OF SLAUGHTER
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1999

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTAL (MEMORANDUM ONLY) 1999</u>
<u>REVENUES</u>			
Taxes	\$ 25,245	\$ 35,623	\$ 60,868
Licenses and Permits	68,838		68,838
Fines and forfeitures	79,932		79,932
Interest	2,866		2,866
State revenue sharing	3,086		3,086
Grants	9,039		9,039
Other	13,922	764	14,686
<u>Total revenues</u>	<u>202,928</u>	<u>36,387</u>	<u>239,315</u>
<u>EXPENDITURES</u>			
Current Operating:			
General government	89,258		89,258
Public safety	75,148		75,148
Public works		58,265	58,265
Debt service:			
Principal retirement		1,380	1,380
Interest		113	113
<u>Total expenditures</u>	<u>164,406</u>	<u>59,758</u>	<u>224,164</u>
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</u>	38,522	(23,371)	15,151
Operating Transfers			
<u>FUND BALANCE</u>			
Beginning of year	<u>150,806</u>	<u>(134,804)</u>	<u>16,002</u>
End of year	<u>189,328</u>	<u>(158,175)</u>	<u>31,153</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF SLAUGHTER
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND AND SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 1999

	<u>GENERAL FUND</u>		<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	
<u>REVENUES</u>			
Taxes	\$ 21,400	\$ 25,245	\$ 3,845
Licenses and permits	68,000	68,838	838
Fines and forfeitures	48,000	79,932	31,932
Interest	2,040	2,866	826
State revenue sharing	3,000	3,086	86
Grants	37,032	9,039	(27,993)
Other	2,100	13,922	11,822
<u>Total revenues</u>	<u>181,572</u>	<u>202,928</u>	<u>21,356</u>
<u>EXPENDITURES</u>			
Current Operating:			
General government	90,232	89,258	974
Public safety	109,150	75,148	34,002
Public works			
Debt Service:			
Principal retirement			
Interest			
<u>Total expenditures</u>	<u>199,382</u>	<u>164,406</u>	<u>34,976</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	(17,810)	38,522	56,332
Operating Transfers	1,550		(1,550)
<u>FUND BALANCE</u>			
Beginning of year	<u>150,806</u>	<u>150,806</u>	
End of year	<u>134,546</u>	<u>189,328</u>	<u>54,782</u>

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE FUND

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 32,000	\$ 35,623	\$ 3,623
0		
<u>1,500</u>	<u>764</u>	<u>(736)</u>
<u>33,500</u>	<u>36,387</u>	<u>(2,887)</u>
69,800	58,265	11,535
3,600	1,380	2,220
	113	(113)
<u>73,400</u>	<u>59,758</u>	<u>13,642</u>
(39,900)	23,371	16,529
39,900		(39,900)
<u>(134,804)</u>	<u>(134,804)</u>	
<u>(134,804)</u>	<u>(158,175)</u>	<u>(23,371)</u>

VILLAGE OF SLAUGHTER
COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - PROPRIETARY FUND TYPE (ENTERPRISE FUND)
YEAR ENDED JUNE 30, 1999

	<u>ENTERPRISE FUND</u>
<u>Operating Revenues</u>	
Gas sales	\$ 134,369
Water sales	176,674
Installation fees	7,454
Other income	9,086
<u>Total operating revenues</u>	<u>327,583</u>
 <u>Operating Expenses</u>	
Salaries and wages	42,627
Depreciation	43,251
Dues	420
Employees' retirement expenses	1,124
Gas purchases	52,688
Insurance	21,270
Legal and professional	5,366
Maintenance, materials, and supplies	57,295
Miscellaneous	1,888
Printing, stationery, and supplies	2,603
Payroll taxes	3,876
Water pump charge	183
Telephone	1,340
Truck expense	2,547
Utilities	10,343
<u>Total operating expenses</u>	<u>246,821</u>
 <u>Operating Income</u>	 <u>80,762</u>
 <u>Non-operating Revenues (Expenses)</u>	
Debt service-principal	2,792
Interest expense	74,472
<u>Net non-operating revenues (expenses)</u>	<u>77,264</u>
 <u>Net Income Before Operating Transfers</u>	 3,498
Operating Transfers	<u>3,498</u>
Net Income	3,498
 <u>Retained earnings at beginning of year</u>	 <u>248,788</u>
 <u>Retained earnings at end of year</u>	 <u>252,286</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF SLAUGHTER
COMBINED STATEMENTS OF CASH FLOWS
PROPRIETARY FUND TYPE (ENTERPRISE FUND)
YEAR ENDED JUNE 30, 1999

	<u>TOTAL</u>
<u>Cash Flows From Operating Activities</u>	
Net income	\$ 3,498
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	43,251
(Increase) decrease in current assets:	
Accounts receivable	3,209
Increase (decrease) in current liabilities:	
Accounts payable	(5,991)
Accrued vacation	967
Due to other funds	2,057
Customer deposits	2,703
Other Liabilities	1,015
 <u>Net Cash Provided by Operating Activities</u>	 <u>50,709</u>
 <u>Cash Flows From Investing Activities</u>	
Additions to fixed assets	<u>(70,037)</u>
 <u>Net Cash Provided (Used) by Investing Activities</u>	 <u>(70,037)</u>
 <u>Cash Flows From Financing Activities</u>	
Proceeds from long-term debt	69,146
Principal Payments	<u>15,765</u>
 <u>Net Cash Provided by Financing Activities</u>	 <u>53,381</u>
 <u>Net Increase in Cash</u>	 34,053
 <u>Cash at Beginning of Year</u>	 <u>323,815</u>
 <u>Cash at End of Year</u>	 <u>357,868</u>
 <u>Supplemental Disclosure of Cash Flow Information</u>	
Cash paid during the period for:	
Interest	<u>75,138</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF SLAUGHTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Slaughter, Louisiana was incorporated April 19, 1963, and is administered by a mayor and three aldermen. The Village of Slaughter provides the following services as authorized by its charter: public safety, highways and streets, sanitation, recreation, public improvements, and general administrative services.

The accounting policies of the Village of Slaughter conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the Louisiana Governmental 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 certain significant accounting policies and practices:

Financial Reporting Entity

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

Fund Accounting

The accounts of the Village of Slaughter are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, 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

VILLAGE OF SLAUGHTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

Governmental Fund Types

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

Special Revenue Funds - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Street and Sidewalk Fund is the only special revenue fund of the Village of Slaughter.

Proprietary Fund Types

Enterprise Fund - The Enterprise Fund is 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 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.

Fixed Assets and Long-term Liabilities:

The accounting and reporting treatment applied to the fixed assets and long-term liabilities is determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

VILLAGE OF SLAUGHTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The Village of Slaughter has not capitalized public domain ("infrastructure") fixed assets which consist of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. These assets are immovable and of value only to the Village of Slaughter; therefore, the need for cumulative accountability is not significant. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The proprietary fund type operations are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets.

Depreciation on all exhaustible fixed assets used by the Proprietary Fund are charged as an expense against their operations as the assets are placed in service. Depreciation will be provided over the assets' estimated useful lives using the straight-line method. The estimated useful lives by assets classification are as follows:

Distribution System	40 years
Equipment	12 years
Vehicles	5 years

Village of Slaughter also has an old distribution system for both the water and gas systems that are not reported or depreciated on the financial statements. Due to the age of these two systems, this omission is immaterial to the financial statements.

All material fixed assets are stated at historical cost.

VILLAGE OF SLAUGHTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Basis of Accounting

Basis of accounting refers to the timing of revenue and expenditure or expense recognition in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property and sales taxes, interest revenue and various intergovernmental revenues are susceptible to accrual. Fines, licenses and permits are not susceptible to accrual because they are generally not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

The proprietary fund is accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Accounts Receivable

Uncollectible amounts due from customers for utility services are recognized as bad debts through the establishment of an allowance for uncollectible accounts at the time information becomes available which would indicate the uncollectability of the particular receivable. The allowance for uncollectible accounts was \$5,836 for the Water Fund and \$1,743 for the Gas Fund.

Budget and Budgetary Accounting

The Village of Slaughter follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.

VILLAGE OF SLAUGHTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.
3. The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amount estimated require approval from the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General, Special Revenue, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The level of budgetary control is total appropriations. Budgeted amounts are as originally adopted, or as amended by the Board. Once approved, the Village of Slaughter's council can amend a legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Operating Transfers In and Out

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

Accumulated Unpaid Vacation

Employees earn vacation and sick leave at various rates depending upon length of employment. Accrued but unused vacation as of June 30, 1999, for all employees of the Village of Slaughter was \$7,269.

VILLAGE OF SLAUGHTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview 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. Since interfund eliminations have not been made in the aggregation of this data, such data is not comparable to a consolidation.

Encumbrances

Encumbrance accounting, under which 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 of Slaughter.

Cash Flows

For purposes of the Statement of Cash Flows, the Proprietary Fund considers all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents.

Cash

Cash includes demand deposit accounts and interest bearing demand deposit accounts. Under State law, the Village may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, or time certificates of deposit with State banks organized under Louisiana law and national banks having principal offices in Louisiana.

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 materially from those estimates.

VILLAGE OF SLAUGHTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #2: FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>06/30/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/99</u>
Land	\$ 16,242			\$ 16,242
Buildings	41,253			41,253
Equipment	237,914	\$ 895		238,809
Totals	<u>295,409</u>	<u>895</u>		<u>296,304</u>

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

	<u>06/30/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/99</u>
<u>GAS FUND</u>				
Right-Of-Way	1,500			1,500
Distribution System	30,000			30,000
	<u>31,500</u>			<u>31,500</u>
<u>WATER FUND</u>				
Dist. System	1,316,763	69,147		1,385,910
Construct. Program	22,599	890		23,489
Equip. & Vehicles	58,635			58,635
	<u>1,397,997</u>	<u>70,037</u>		<u>1,468,034</u>

Accumulated Depreciation for Proprietary funds was \$124,044 at year end.

In accordance with Financial Accounting Standards Board Statement No. 62, the Village capitalizes interest in connection with construction in progress for Proprietary Fund types. During the year ended June 30, 1996, \$22,286 was capitalized.

The Proprietary funds have old distribution systems that are not reported or depreciated on the Proprietary Fund financial statements. Due to the age of these systems, this omission is not material to the financial statements.

NOTE #3: CHANGES IN LONG-TERM DEBT

The Bonds were issued under a commitment letter issued by the Rural Economic and Community Development (formerly Farmers Home Administration) ("RECD").

VILLAGE OF SLAUGHTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #3: CHANGES IN LONG-TERM DEBT (CONTINUED)

Rural Economic and Community Development

Water Revenue Bonds issued	\$ 1,445,054
Bonds retired	<u>0</u>
Bonds Payable at June 30, 1999	<u>1,445,054</u>

The bonds are payable as follows:

Total bonds authorized \$1,480,000 dated June 14, 1996; due in monthly installments of \$7,575, beginning July, 1997. Interest only in the amount of \$72,475 was due June 14, 1997. The bonds bear interest at the rate of 5 3/8%, and will mature June 14, 2036.

The annual requirement to amortize all outstanding Water Revenue Bonds as of June 30, 1999, including interest payments of \$1,820,429 are as follows:

<u>Year Ending</u> <u>June 30, _____</u>	<u>Water</u> <u>Revenue Bonds</u>
2000	\$ 90,931
2001	90,931
2002	90,931
2003	90,931
2004	90,931
Later years	<u>2,810,829</u>
	<u>3,265,484</u>

As part of the Bond agreement with Rural Economic and Community Development, the Village of Slaughter has agreed to comply with certain covenants. These primarily consist of reporting and audit requirements, insurance coverage, restrictions on additional debt, maintenance of various deposit accounts, and other administrative requirements. The Village of Slaughter has not complied with some of these covenants; however, waivers have been obtained regarding these covenants.

VILLAGE OF SLAUGHTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #4: CAPITAL LEASES

The Village of Slaughter entered into a capital lease during the fiscal year ended June 30, 1995, for the portion of a John Deere Backhoe loader that was not paid at acquisition. The backhoe is recorded in the general fixed asset group at its capitalized cost of \$37,422. The Village of Slaughter also signed a capital lease agreement for this amount, which is included in the general long-term debt account group.

NOTE #5: AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property on February 28 of each year. The taxes are levied and actually billed to the taxpayers in November. Billed taxes become delinquent on January 2 of the following calendar year.

The Village of Slaughter bills and collects its own property taxes using the assessed values determined by the tax assessor of East Feliciana Parish. For the year ended June 30, 1999, taxes of 4.76 mills were levied on property with assessed valuations totaling \$3,472,480, and were dedicated for general purposes.

Total taxes levied were \$19,147 and \$433 was still uncollected at June 30, 1999.

NOTE #6: INTERFUND RECEIVABLE AND PAYABLE BALANCES

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
General Fund	\$ 108,570	\$ 7,086
Street & Sidewalk Fund		66,217
Water Fund		23,927
Gas Fund		11,340
	<u>108,570</u>	<u>108,570</u>

NOTE #7: DEFINED BENEFIT PENSION PLAN

Substantially all employees of the Village of Slaughter participate in the Municipal Employees' Retirement System ("MERS") cost-sharing, multiple employer public retirement system. The payroll for employees covered by MERS for the year ended June 30, 1999, was \$78,543; the Village of Slaughter's total payroll was \$156,304.

VILLAGE OF SLAUGHTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Generally all full-time employees are eligible to participate. The employees participating in the MERS may retire with full benefits at ages ranging from any age upon completing thirty years of creditable service to age sixty upon completing ten years of creditable service. The basic annual retirement benefit for substantially all members is equal to three percent of average compensation times the number of years of creditable service.

The average compensation is defined as the member's average annual earned compensation for the period of thirty-six consecutive months of employment during which the member's aggregate earned compensation was greatest. The Systems also provide death and disability benefits. Benefits are established by State Statute.

Covered employees are required by State Statute to contribute 5.00% of their salary to the plan. The Village of Slaughter was required by the same statute to make contributions of 3.25% of the covered salaries during the year ended June 30, 1999.

The "pension benefit obligation" is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on an on going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The System does not make separate measurements of assets and pension benefit obligation for individual employers.

The System issues an annual publicly available financial report which includes financial statements and required supplementary information for the system. That report can be obtained by contacting the Municipal Employee's Retirement System of Louisiana at 7937 Office Park Boulevard, Baton Rouge, Louisiana, 70809, or by calling (225) 925-4810.

VILLAGE OF SLAUGHTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #8: SEGMENTS OF ENTERPRISE ACTIVITIES

Gas, and water services are provided by the Village of Slaughter and are financed by user charges. The significant financial data for the year ended June 30, 1999, for these services is as follows:

	<u>Gas</u>	<u>Water</u>	<u>Total</u>
Operating revenues	\$ 134,369	\$ 176,674	\$ 311,043
Operating expenses	112,206	134,615	246,821
Depreciation	750	42,501	43,251
Operating income	29,594	51,168	80,762
Operating transfers			
Net income (loss)	28,102	(24,604)	3,498
Property, plant and equipment additions		70,037	70,037
Revenue bonds and notes payable		1,445,054	1,445,054

NOTE #9: RESTRICTED ASSETS

In accordance with the indenture governing the water revenue bonds, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Water Utility Fund, and are serviced by the earnings from the Fund. Deposits are made to these trust accounts in accordance with the following requirements:

1. The "water revenue bond and interest sinking fund" requires that sufficient cash be accumulated to meet the annual installment of bond principle and interest which becomes due during the year.
2. The "water revenue bond reserve fund" is supplemental to the account referred to in (1) above. The minimum amount to be deposited into this account is 5% of the amounts obligated to be deposited into the sinking fund account, and shall continue monthly until there is on deposit a sum equal to \$90,931, or the highest combined principle and interest requirement in any succeeding fiscal year, according to the bond agreement.
3. The "water depreciation and contingency fund" requires a monthly payment of \$455.

VILLAGE OF SLAUGHTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #10: DUE FROM OTHER GOVERNMENTAL AGENCIES

Amounts due from other governmental agencies at June 30, 1999, consist of the following:

East Feliciana Parish Police Jury-Sales Tax	<u>\$ 3,176</u>
---	-----------------

NOTE #11: DEDICATED REVENUES

Streets and Sidewalks Special Revenue Fund

The Village of Slaughter receives 3.8181% of East Feliciana Parish sales tax collections. These proceeds are dedicated to the general maintenance and repairs of streets and sidewalks in the Village of Slaughter. The Village of Slaughter recognized \$35,623 of sales tax proceeds during the year ended June 30, 1999.

NOTE #12: CASH AND INVESTMENTS

At June 30, 1999, the carrying amounts of the Village of Slaughter's deposits were as follows:

Demand Deposit Accounts / Savings Accounts	417,374
Certificates of Deposit	<u>40,000</u>
	<u>457,374</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by either federal deposit insurance or the pledge of securities owned by a 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 bank. At June 30, 1999, the Village of Slaughter had \$368,363 in deposits (collected bank balances). Of these bank balances, \$200,000 was covered by federal deposit insurance and \$168,363 was secured by collateral owned by the fiscal agent bank. The market value of the collateral was \$194,835.

NOTE #13: LITIGATION

At June 30, 1999, the Village of Slaughter was involved in a lawsuit concerning an Alcohol License. The Village of Slaughter's legal advisor is unable to estimate the ultimate resolution of this matter.

VILLAGE OF SLAUGHTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #14: YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electrical data processing systems and other related equipment that may adversely affect operations in the year 1999 and beyond. Many programs (if not corrected) will not be able to distinguish between the year 2000 and the year 1900. The Village of Slaughter has obtained the latest computer equipment and accounting software currently available because of this potential problem.

SUPPLEMENTARY INFORMATION

VILLAGE OF SLAUGHTER
COMBINING BALANCE SHEET
ENTERPRISE FUND
JUNE 30, 1999

	<u>WATER</u>	<u>GAS</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 14,238	\$ 206,015	\$ 220,253
Cash - restricted	137,615		137,615
Accounts receivable	22,018	5,879	27,897
Fixed assets, (net)	<u>1,348,430</u>	<u>27,000</u>	<u>1,375,430</u>
<u>Total Assets</u>	<u>1,522,301</u>	<u>238,894</u>	<u>1,761,195</u>
<u>LIABILITIES</u>			
Accounts payable	268	2,055	2,323
Due to other funds	23,927	11,340	35,267
Accrued vacation	1,744	1,745	3,489
Meter deposits	8,484	9,604	18,088
Accrued interest payable	3,044		3,044
Note payable	1,445,054		1,445,054
Other Liabilities	<u>1,078</u>	<u>566</u>	<u>1,644</u>
<u>Total Liabilities</u>	<u>1,483,599</u>	<u>25,310</u>	<u>1,508,909</u>
<u>FUND EQUITY</u>			
Retained earnings:			
Unreserved	<u>38,702</u>	<u>213,584</u>	<u>252,286</u>
<u>Total Equity</u>	<u>38,702</u>	<u>213,584</u>	<u>252,286</u>
<u>Total Liabilities</u>			
<u>and Equity</u>	<u>1,522,301</u>	<u>238,894</u>	<u>1,761,195</u>

VILLAGE OF SLAUGHTER
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE (ENTERPRISE FUND)
YEAR ENDED JUNE 30, 1999

	<u>WATER</u>	<u>GAS</u>	<u>TOTAL</u>
<u>Operating Revenues</u>			
Gas sales		\$ 134,369	\$ 134,369
Water sales	\$ 176,674		176,674
Installation fees	3,808	3,646	7,454
Other income	5,301	3,785	9,086
<u>Total operating revenues</u>	<u>185,783</u>	<u>141,800</u>	<u>327,583</u>
<u>Operating Expenses</u>			
Salaries and wages	21,363	21,264	42,627
Depreciation	42,501	750	43,251
Dues	250	170	420
Employees' retirement expenses	562	562	1,124
Gas purchases		52,688	52,688
Insurance	10,257	11,013	21,270
Legal and professional	2,683	2,683	5,366
Maintenance, materials, and supplies	41,876	15,419	57,295
Miscellaneous	341	1,547	1,888
Printing, stationery, and supplies	1,304	1,299	2,603
Payroll taxes	1,988	1,888	3,876
Water pump charge	183		183
Telephone	670	670	1,340
Truck expense	1,296	1,251	2,547
Utilities	9,341	1,002	10,343
<u>Total operating expenses</u>	<u>134,615</u>	<u>112,206</u>	<u>246,821</u>
<u>Operating Income</u>	<u>51,168</u>	<u>29,594</u>	<u>80,762</u>
<u>Non-operating Revenues (Expenses)</u>			
Debt service-principal	(1,492)	(1,300)	(2,792)
Interest expense	(74,280)	(192)	(74,472)
Net non-operating revenues (expenses)	<u>(75,772)</u>	<u>(1,492)</u>	<u>(77,264)</u>
<u>Net Income Before Operating Transfers</u>	<u>(24,604)</u>	<u>28,102</u>	<u>3,498</u>
Operating Transfers			
Net Income (Loss)	(24,604)	28,102	3,498
<u>Retained earnings at beginning of year</u>	<u>63,307</u>	<u>185,481</u>	<u>248,788</u>
<u>Retained earnings at end of year</u>	<u>38,703</u>	<u>213,583</u>	<u>252,286</u>

VILLAGE OF SLAUGHTER
COMBINING STATEMENTS OF CASH FLOWS
PROPRIETARY FUND TYPE (ENTERPRISE FUND)
YEAR ENDED JUNE 30, 1999

	WATER	GAS
<u>Cash Flows From Operating Activities</u>		
Net income	\$ (24,604)	\$ 28,102
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	42,501	750
(Increase) decrease in current assets:		
Accounts receivable	2,071	1,138
Increase (decrease) in current liabilities:		
Accounts payable	(4,146)	(1,845)
Accrued vacation	483	484
Due to other funds	20,264	(18,207)
Customer deposits	1,165	1,538
Other Liabilities	449	56
<u>Net Cash Provided by Operating Activities</u>	38,183	12,526
<u>Cash Flows From Investing Activities</u>		
Additions to fixed assets	(70,037)	
<u>Net Cash Provided (Used) by Investing Activities</u>	(70,037)	
<u>Cash Flows From Financing Activities</u>		
Proceeds from long-term debt	53,381	
<u>Net Cash Provided by Financing Activities</u>	53,381	
<u>Net Increase In Cash</u>	21,527	12,526
<u>Cash at Beginning of Year</u>	130,326	193,489
<u>Cash at End of Year</u>	151,853	206,015
<u>Supplemental Disclosure of Cash Flow Information</u>		
Cash paid during the period for:		
Interest	74,280	858

TOTAL

\$ 3,498

43,251

3,209

(5,991)

967

2,057

2,703

1,015

50,709

(70,037)

(70,037)

53,381

53,381

34,053

323,815

357,868

75,138

VILLAGE OF SLAUGHTER
SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
YEAR ENDED JUNE 30, 1999

	<u>Year Ended</u> <u>June 30, 1999</u>
Jimmy R. Baker, Mayor	\$ 4,800
Joyce Zachary, Alderman	1,680
Bobbie Bourgeois, Alderman	1,680
Robert Jackson, Alderman	<u>1,680</u>
	<u>9,840</u>

VILLAGE OF SLAUGHTER
GENERAL FUND
GENERAL GOVERNMENT EXPENDITURES
YEAR ENDED JUNE 30, 1999

	<u>AMOUNT</u>
<u>GENERAL GOVERNMENT EXPENDITURES</u>	
Wages and Salaries	\$ 34,429
Insurance	13,188
Health insurance	2,985
Legal	1,571
Maintenance & repairs	1,328
Materials & supplies	406
Miscellaneous	12,244
Municipal employees' retirement	892
Office expense	3,768
Payroll taxes	2,615
Printing	3,817
Professional services	2,221
Truck expenses	4,237
Telephone	2,833
Utilities	2,276
Wages and salaries	34,429
Dues	448
Total	89,258

VILLAGE OF SLAUGHTER
GENERAL FUND
PUBLIC SAFETY EXPENDITURES
YEAR ENDED JUNE 30, 1999

	<u>AMOUNT</u>
<u>GENERAL FUND - PUBLIC SAFETY EXPENDITURES</u>	
<u>Public Safety</u>	
Police:	
Salaries	\$ 40,642
Payroll taxes	3,454
Gas, oil & auto expenses	633
Utilities	1,149
Telephone	2,454
Repairs & maintenance	90
Insurance	2,452
Office supplies	307
Miscellaneous	1,235
Materials & supplies	3,931
Retirement	136
Capital Outlay	895
<u>Total Police</u>	57,378
Fire:	
Salaries	8,400
Payroll taxes	889
Gas, oil & truck expenses	494
Utilities	1,277
Telephone	1,886
Insurance	3,522
Office supplies	45
Miscellaneous	768
Materials & supplies	489
<u>Total Fire</u>	17,770
<u>Total Public Safety</u>	75,148

VILLAGE OF SLAUGHTER
SPECIAL REVENUE FUND
STREET AND SIDEWALK FUND
PUBLIC WORKS EXPENDITURES
YEAR ENDED JUNE 30, 1999

	<u>AMOUNT</u>
<u>PUBLIC WORKS EXPENDITURES</u>	
Salary expense	\$ 27,371
Payroll taxes	2,564
Retirement contributions	726
Health insurance	
Gas, oil and truck expenses	1,125
Utilities	7,219
Repairs & maintenance	3,013
Professional services	3,279
Insurance	9,424
Office supplies	356
Legal	186
Miscellaneous	113
Materials and supplies	<u>2,889</u>
Total Expenditures	<u>58,265</u>

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

JAMES M. CAMPBELL
CERTIFIED PUBLIC ACCOUNTANT

(225) 926-6047
(225) 928-0146
(225) 926-6270 Fax

A PROFESSIONAL CORPORATION
8939 Jefferson Hwy. First Floor, Suites A B C
Baton Rouge, Louisiana 70809

October 22, 1999

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

The Honorable Mayor and
Members of the Board of Aldermen
Village of Slaughter
Post Office Box 29
Slaughter, Louisiana 70777

Gentlemen:

I have audited the general purpose financial statements of The Village of Slaughter as of and for the year ended June 30, 1999, and have issued my report thereon dated October 22, 1999. 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.

Compliance

As part of obtaining reasonable assurance about whether the Village of Slaughter's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 99-1 and 99-2.

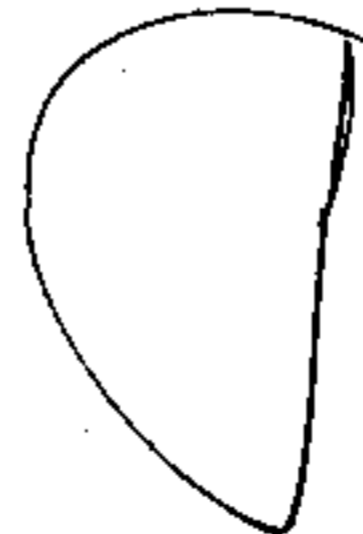
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Internal Control Over Financial Reporting

In planning and performing my audit, I considered The Village of Slaughter's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect The Village of Slaughter'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 as items 99-1 and 99-2.

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 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. My 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, I believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Board of Aldermen, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

 James M. Campbell CPA, AAC

JAMES M. CAMPBELL
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL CORPORATION
8939 Jefferson Hwy. First Floor. Suites A B C
Baton Rouge, Louisiana 70809

(225) 926-6047
(225) 928-0146
(225) 926-6270 Fax

October 22, 1999

THE VILLAGE OF SLAUGHTER
INDEPENDENT AUDITOR'S SCHEDULE OF
FINDINGS AND QUESTIONED COSTS
JUNE 30, 1999

98-1 FINDING: (Not Resolved)

The Village of Slaughter does have a system for the recording and accounting of fixed assets, however, a periodic inventory is not conducted to compare the fixed assets on hand with the detailed listing maintained by the Village of Slaughter personnel. This may result in a loss of control over fixed assets.

Recommendation:

At the time of purchase, fixed assets should be tagged and added to the Village of Slaughter's listing of fixed assets. This list should identify the location of the assets and the responsible employee. Each department should submit a physical inventory to the Town Clerk on an annual basis, at which time it should be compared to the records of the Village of Slaughter. Missing or unaccounted-for assets should be investigated. Assets that cannot be located should be reported to the Board of Aldermen, stating the facts and circumstances regarding the missing item.

Management's Response:

An annual inventory will be taken and differences investigated.

98-2 FINDING: (Not Resolved)

Adequate segregation of duties required to improve internal control is not possible because of limited personnel. One employee receives payments, enters all transactions on the computerized accounting system and records journal entries.

Recommendation:

Management should review all internal control procedures and provide segregation of duties if possible.

THE VILLAGE OF SLAUGHTER
INDEPENDENT AUDITOR'S SCHEDULE OF
FINDINGS AND QUESTIONED COSTS
JUNE 30, 1999 (Continued)

98-2 FINDING: (Continued)

Management's Response:

A review of internal control procedures will be made and improved where possible.

98-3 FINDING: (Resolved)

Purchase of equipment costing \$7,200 was made with only two quotes rather than three fax or phone quotes. In addition, fire hydrant installation costing \$13,464 was purchased with only two quotes and office construction totaling \$15,120 was incurred using public works fund without advertising for bids.

Recommendation:

Management should obtain all required quotes or advertised bids prior to purchasing fixed assets and beginning construction projects.

Management Response:

Two quotes were obtained for the equipment costing \$7,200. Three quotes were requested for the fire hydrant installation, however only two were received prior to purchase. The office was constructed using employees of the Village of Slaughter. All documentation requested by the Rural Economic and Community Development agency was obtained and submitted to them prior to disbursement.

98-4 FINDING: (Resolved)

Police department fines are recorded using a program not integrated with the general ledger system, listing each ticket issued. However, periodic reconciliations have not been made reconciling total tickets issued with total fines collected.

Recommendation:

Periodic reconciliation of total fines compared to fines collected should be made accounting for fines dismissed, fines voided, fines sent to the state for collection, fines for which warrants have been issued and any other reconciling items.

THE VILLAGE OF SLAUGHTER
INDEPENDENT AUDITOR'S SCHEDULE OF
FINDINGS AND QUESTIONED COSTS
JUNE 30, 1999 (Continued)

98-4 FINDING: (continued)

Management Response:

An additional employee has been hired to work primarily with the police department. This reconciliation will be completed by this employee.

JAMES M. CAMPBELL
CERTIFIED PUBLIC ACCOUNTANT

(225) 926-6047
(225) 928-0146
(225) 926-6270 Fax

A PROFESSIONAL CORPORATION
8939 Jefferson Hwy. First Floor, Suites A B C
Baton Rouge, Louisiana 70809

October 22, 1999

THE VILLAGE OF SLAUGHTER
INDEPENDENT AUDITOR'S SCHEDULE OF
FINDINGS AND QUESTIONED COSTS
JUNE 30, 1999

99-1 FINDING:

The Village of Slaughter does have a system for the recording and accounting of fixed assets, however, a periodic inventory is not conducted to compare the fixed assets on hand with the detailed listing maintained by the Village of Slaughter personnel. This may result in a loss of control over fixed assets.

Recommendation:

At the time of purchase, fixed assets should be tagged and added to the Village of Slaughter's listing of fixed assets. This list should identify the location of the assets and the responsible employee. Each department should submit a physical inventory to the Town Clerk on an annual basis, at which time it should be compared to the records of the Village of Slaughter. Missing or unaccounted-for assets should be investigated. Assets that cannot be located should be reported to the Board of Aldermen, stating the facts and circumstances regarding the missing item.

Management's Response:

An annual inventory will be taken and differences investigated.

99-2 FINDING:

Adequate segregation of duties required to improve internal control is not possible because of limited personnel. One employee receives payments, enters all transactions on the computerized accounting system and records journal entries.

Recommendation:

Management should review all internal control procedures and provide segregation of duties if possible.

THE VILLAGE OF SLAUGHTER
INDEPENDENT AUDITOR'S SCHEDULE OF
FINDINGS AND QUESTIONED COSTS
JUNE 30, 1999 (continued)

99-2 FINDING: (continued)

Management's Response:

A review of internal control procedures will be made and improved where possible. A new employee has also been added which should allow more segregation of duties.

VILLAGE OF SLAUGHTER, LOUISIANA
SCHEDULE OF EXPEDENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1999

<u>Federal Grantor Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Expenditures at June 30, 1999</u>
Water and Waste Disposal System for Rural Communities	10.418	N/A	\$ 69,147
Office of Justice Programs-Cops Grant	16.710	N/A	<u>8,229</u>
			<u><u>77,376</u></u>

ADDITIONAL DATA

VILLAGE OF SLAUGHTER
INSURANCE IN FORCE
JUNE 30, 1999
(UNAUDITED)

<u>POLICY</u>	<u>NAME OF INSURER</u>	<u>DATE</u>	<u>LIMITS</u>
Fire & Extended Coverage Building & Contents	Massachusetts Bay Insurance Company	06/12/00	\$ 170,000
Automobile Liability	National Union Fire Insurance Company	12/13/99	1,000,000
General Liability	National Union Fire Insurance Company	12/13/99	2,000,000
Law Enforcement Professional Liability	National Union Fire Insurance Company	11/13/99	2,000,000
Public Officials Errors and Omissions Liability	National Union Fire Insurance Company	12/13/99	1,000,000
Worker's Compensation	LA Municipal Risk Management	01/01/00	Statutory
Public Employees Bond	Fidelity and Deposit	01/01/00	10,000
Public Employees Dishonesty Bond	Employers Mutual	07/12/00	110,000
Boiler & Machinery Equipment	Hartford Steam Boiler Inspection Insurance Co.	09/12/00	125,000

VILLAGE OF SLAUGHTER
PUBLIC UTILITY SYSTEM OPERATIONS
JUNE 30, 1999
(UNAUDITED)

STATISTICS ON SYSTEM OPERATIONS

- (a) As of June 30, 1999, the number of metered customers was 359 and 567 for the gas and water systems, respectively. There were no unmetered customers for either the gas or water systems at June 30, 1999.
- (b) The following rate schedules were in effect during the fiscal year for gas and water:

1. Gas -	<u>Rate per 1,000 Cubic Feet</u>
Minimum Charge	\$ 10.62
Over 500 Cubic Feet/MCF	.687
2. Water -	<u>Rate per 1,000 Gallons</u>
First 3,000 gallons or less	13.00
Next 8,000 gallons/Mgal	2.60
Over 11,000 gallons/Mgal	2.50