

**VILLAGE OF WILSON, LOUISIANA
FINANCIAL STATEMENTS
JUNE 30, 2017**

Village of Wilson, Louisiana
Basic Financial Statements
June 30, 2017
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Member
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INDEPENDENT AUDITOR'S REPORT

The Honorable Marilyn Broadway, Mayor
And Board of Aldermen
Village of Wilson
PO Box 40
Wilson, Louisiana 70789

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Wilson, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Wilson, Louisiana, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Wilson, Louisiana's basic financial statements. The schedule of compensation paid to governing members, schedule of compensation, benefits and other payments to agency head, and schedule of operating expenses-proprietary fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation paid to governing members, schedule of compensation, benefits and other payments to agency head, and schedule of operating expenses-proprietary fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, schedule of compensation paid to governing members, schedule of compensation, benefits and other payments to agency head, and schedule of operating expenses-proprietary fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 6, 2019, on my consideration of the Village of Wilson, Louisiana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control

over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Wilson, Louisiana's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Minda Raybourn". The signature is written in a cursive, flowing style.

Minda Raybourn, CPA

Franklinton, LA

January 6, 2019

VILLAGE OF WILSON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

The purpose of this section is to offer management's discussion and analysis of the Village of Wilson, Louisiana's (hereafter referred to as the Village) financial performance during the year.

OVERVIEW OF THE BASIC FINANCIAL STATEMENT PRESENTATION

These basic financial statements are comprised of three components - (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.

Government-wide Financial Statements. The government-wide financial statements present financial information for all activities of the Village from an economic resources measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the Village's overall financial status. They include the following two statements:

Statement of Net Position. This statement presents information on all of the Village's assets, deferred outflows of resources, liabilities and inflows of resources with the difference between them reported as net position. It shows the financial condition of the Village at a specific point in time.

Statement of Activities. This statement presents information showing how the Village's net position changed during the most recent fiscal year. This statement is designed to show the Village's financial reliance on general revenues.

Both government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village has two categories of funds: governmental and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Proprietary Funds. The Village maintains only one type of proprietary fund - enterprise fund. Enterprise funds are used to report the functions financed/operated in a manner like private business where the intent of the governing body is that the cost of providing services on a continuing basis be financed or recovered primarily through user charges.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**VILLAGE OF WILSON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

GOVERNMENTAL ACTIVITIES

Governmental funds, which include general government, public safety and streets and sidewalks, ended the current year with \$437,803 in net position, a decrease of \$90,188. A summary of net position and the changes thereof are presented below.

SUMMARY OF NET POSITION

	2017	2016
Current and Other Assets	226,975	281,808
Capital Assets, Net	228,001	263,747
Total Assets	<u>454,976</u>	<u>545,555</u>
current and Other Liabilities	<u>17,173</u>	<u>17,563</u>
Net Position		
Net investment in capital assets	228,001	263,747
Restricted	27,090	-
Unrestricted	182,712	264,245
Total Net Position	<u>437,803</u>	<u>527,992</u>

SUMMARY OF CHANGES IN NET POSITION

	2017	2016
Charges For Services	21,499	24,965
Grants and Contributions	-	2,850
General Revenues and Transfers	156,645	261,381
Total Revenues	<u>178,144</u>	<u>289,196</u>
General Government	117,388	91,426
Public Safety	67,818	61,242
Public Works	83,126	84,398
Total Expenditures	<u>268,332</u>	<u>237,066</u>
Change in Net Position	<u>(90,188)</u>	<u>52,130</u>

**VILLAGE OF WILSON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

BUSINESS-TYPE ACTIVITIES

Proprietary funds, that include water and sewer services, experienced an operating profit of \$217,182. This is a result of the village receiving grant funds of \$216,303 for water structure improvements. Activity is summarized below.

SUMMARY OF NET POSITION

	<u>2017</u>	<u>2016</u>
Current and Other Assets	33,296	96,356
Capital Assets, Net	1,419,152	1,201,474
Total Assets	<u>1,452,448</u>	<u>1,297,830</u>
Current and Other Liabilities	<u>242,684</u>	<u>305,247</u>
Net Position		
Net investment in capital assets	1,309,655	1,041,367
Restricted	18,723	-
Unrestricted	(118,613)	(48,784)
Total Net Position	<u>1,209,765</u>	<u>992,583</u>

SUMMARY OF CHANGES IN NET POSITION

	<u>2017</u>	<u>2016</u>
Charges For Services	147,819	134,975
Grants and Contributions	216,303	400,254
Nonoperating revenues	42	5
Total Revenues	<u>364,164</u>	<u>535,234</u>
Operating Expenses	<u>146,982</u>	<u>144,636</u>
Transfers	<u>-</u>	<u>(135,162)</u>
Change in Net Position	<u>217,182</u>	<u>255,436</u>

**VILLAGE OF WILSON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

ADDITIONAL INFORMATION

This financial report is designed to provide a general overview of the Village's finances, comply with finance-related laws and regulations and demonstrate the Village's commitment to public accountability. Any questions or requests for additional information can be obtained by calling (225) 629-5415 or writing to P. O. Box 40, Wilson, Louisiana 70789.

GOVERNMENT WIDE FINANCIAL STATEMENTS

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2017

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and cash equivalents	73,179	1,444	74,624
Due from other funds	111,416	-	111,416
Receivables, net	13,199	13,129	26,328
Restricted assets	29,181	18,723	47,904
Capital assets, net	228,001	1,419,152	1,647,154
Total Assets	454,976	1,452,449	1,907,425
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	-	-	-
<u>LIABILITIES</u>			
Accounts payable	12,822	3,048	15,871
Due to other funds	-	111,416	111,416
Payroll tax withholdings/payable	2,260	-	2,260
Payables from restricted assets	2,091		2,091
Customer deposits	-	18,723	18,723
Certificates of Indebtness-Short Term		16,878	16,878
Certificates of Indebtness-Long Term	-	92,619	92,619
Total Liabilities	17,173	242,684	259,857
<u>DEFERRED INFLOWS RESOURCES</u>	-	-	-
<u>NET POSITION</u>			
Net investment in capital assets	228,001	1,309,655	1,537,657
Restricted-Streets and Sidewalks	27,090	-	27,090
Restricted-Meter Deposits	-	18,723	18,723
Unrestricted	182,711	(118,614)	64,098
Total Net Position	437,803	1,209,765	1,647,568

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net Revenues (Expenses)</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities							
General government	117,388	-	-	-	(117,388)	-	(117,388)
Public safety	67,818	21,499	-	-	(46,319)	-	(46,319)
Public works	83,126	-	-	-	(83,126)	-	(83,126)
Total Governmental Activities	268,332	21,499	-	-	(246,833)	-	(246,833)
Business-type Activities							
Water	123,972	135,146	-	216,303	-	227,478	227,478
Sewer	23,010	12,673	-	-	-	(10,337)	(10,337)
Total Business-type Activities	146,982	147,819	-	216,303	-	217,140	217,140
Total Primary Government	415,314	169,318	-	216,303	(246,833)	217,140	(29,693)

General Revenues and Transfers

Sales taxes	119,316	-	119,316
Franchise taxes	21,307	-	21,307
Occupational License	12,189	-	12,189
Interest earned	53	42	94
Other general revenues/transfers, net	3,781	-	3,781
Total General Revenues and Transfers	156,645	42	156,687
Change in Net Position	(90,188)	217,182	126,994
Net Position, beginning	527,992	992,583	1,520,574
Net Position, ending	437,803	1,209,765	1,647,568

The accompanying notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

**VILLAGE OF WILSON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>General</u>	<u>Street and Sidewalks</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 73,179	\$ 29,181	\$ 102,360
Due from other funds	90,600	20,816	111,416
Receivables, net			
Franchise fees	3,841	-	3,841
Sales taxes	4,341	5,017	9,358
TOTAL ASSETS	171,962	55,013	226,975
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	12,822	2,091	14,913
Due to other governmental agencies	-	-	-
Due to other funds	-	-	-
Payroll tax withholdings/payable	2,260	-	2,260
Deferred revenue	-	-	-
Total Liabilities	15,082	2,091	17,173
Fund Balances			
Restricted	-	52,923	52,923
Committed for police protection	6,072	-	6,072
Unassigned	150,807	-	150,807
Total Fund Balances	156,879	52,923	209,802
TOTAL LIABILITIES AND FUND BALANCES	171,962	55,013	226,975

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WILSON, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2017

Total Fund Balances - Total Governmental Funds	\$	209,802
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheets.	<u>228,001</u>
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Total Net Position of Governmental Activities	<u>\$</u>	<u>437,803</u>
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The accompanying notes are an integral part of the financial statements.

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

<u>REVENUES</u>	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
Sales taxes	54,180	65,136	119,316
Franchise fees	21,307	-	21,307
Occupational licenses	12,189	-	12,189
Fines	21,499	-	21,499
Interest earned	47	5	53
Other revenues	3,631	150	3,781
	<hr/>		
Total Revenues	112,853	65,291	178,144
<u>EXPENDITURES</u>			
General government	111,741	-	111,741
Public safety			
Police	58,585	-	58,585
Public works	-	62,261	62,261
	<hr/>		
Total Expenditures	170,326	62,261	232,587
Deficiency of Revenues over Expenditures	(57,472)	3,030	(54,442)
<hr/>			
<u>OTHER FINANCING SOURCES (USES)</u>			
Grants and other contributions	-	-	-
Transfers	-	-	-
Total Other Financing Sources (Uses)	-	-	-
	<hr/>		
Change in Fund Balances	(57,472)	3,030	(54,442)
Fund Balances, beginning	214,352	49,892	264,244
	<hr/>		
Fund Balances, ending	156,879	52,923	209,802
	<hr/> <hr/>		

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF WILSON, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Net Change in Fund Balances - Total Governmental Funds	\$	(54,442)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differed from capital outlay charged in the current period.

(35,746)

Change in Net Position - Governmental Activities	\$	<u><u>(90,188)</u></u>
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The accompanying notes are an integral part of the financial statements.

VILLAGE OF WILSON, LOUISIANA
BALANCE SHEET
PROPRIETARY FUNDS
JUNE 30, 2017

		<u>Business-type Activities</u>
		<u>Enterprise Funds</u>
		<u>Water and Sewer</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$	1,444
Accounts receivable, net		13,129
Total Current Assets		14,574
Restricted Assets		
Cash and cash equivalents		18,723
Non-Current Assets		
Capital Assets:		
Water system		1,539,153
Sewer system		745,423
Less: Accumulated depreciation		(865,424)
Total Non-Current Assets		1,419,152
TOTAL ASSETS		1,452,449

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WILSON, LOUISIANA
BALANCE SHEET (Continued)
PROPRIETARY FUNDS
JUNE 30, 2017

		<u>Business-type Activities</u>
		<u>Enterprise Funds</u>
		<u>Water and Sewer</u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	3,048	
Payroll tax withholdings/payables	-	
Due to other funds	111,416	
Notes Payable-Current Portion	16,878	
		16,878
Total Current Liabilities	131,342	
Long-Term Liabilities		
Payable from restricted assets		
Customer deposits	18,723	
Notes Payable-Long Term Portion	92,619	
		92,619
Total Long-Term Liabilities	111,342	
	242,684	
	242,684	
<u>NET POSITION</u>		
Net investment in capital assets	1,309,655	
Restricted-customer deposits	18,723	
Unrestricted	(118,614)	
		(118,614)
Total Net Position	1,209,765	
	1,209,765	
TOTAL LIABILITIES AND NET POSITION	\$ 1,452,449	
	\$ 1,452,449	

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEARS ENDED JUNE 30, 2017

		<u>Enterprise Funds</u> <u>Water and Sewer</u>
<u>OPERATING REVENUES</u>		
Water sales and service	\$	135,146
Sewer sales and service		12,673
		147,819
 <u>OPERATING EXPENSES</u>		
Administrative		1,567
Depreciation		57,801
Employee and related expenses		14,674
Occupancy		3,467
Personal services		50,144
		127,653
Total Operating Expenses		127,653
Operating Loss		20,166
 <u>NON-OPERATING REVENUES (EXPENSES)</u>		
Grants and other contributions		216,303
Interest income		42
Bad Debt Expense		(14,895)
Interest paid		(4,434)
Transfers		-
		197,016
Total Non-Operating Revenues (Expenses)		197,016
Change in Net Position		217,182
Total Net Position, beginning		992,583
Total Net Position, ending		1,209,765

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEARS ENDED JUNE 30, 2017

Business-type Activities
Enterprise Funds
Water and Sewer

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 140,389
Cash paid to employees for services	(13,233)
Cash paid to suppliers for goods and services	(107,337)
	19,819
Net Cash Used for Operating Activities	
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Proceeds from grantors	216,303
Transfers between funds	-
	-
Net Cash Provided by Non-Capital Financing Activities	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from certificates of indebtedness	-
Principal payments	(16,194)
Interest paid	(4,434)
	(20,628)
Net Cash Provided by Capital and Related Financing Activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of capital assets	(215,978)
Investment earnings	42
	42
Net Cash Used for Investing Activities	
Net Increase in Cash and Cash Equivalents	(442)
Cash and Cash Equivalents, Beginning of Year	20,609
	20,609
Cash and Cash Equivalents, End of Year	20,168
	20,168
Currents Assets:	
Cash and cash equivalents	1,444
Restricted Assets:	
Cash and cash equivalents	18,723
	18,723
Cash and Cash Equivalents, end of year	
	20,168

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
YEARS ENDED JUNE 30, 2017

		<u>Business-type Activities</u>
		<u>Enterprise Funds</u>
		<u>Water and Sewer</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Net operating change	\$	20,166
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Depreciation		23,069
(Increase) decrease in assets:		
Accounts receivable		(6,929)
Increase (decrease) in liabilities:		
Accounts and other payables		(16,487)
Customer deposits		-
		-
Net Cash Used for Operating Activities		19,819

BALANCE SHEET PRESENTATION OF CASH

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

INTRODUCTION

The Village of Wilson, Louisiana (hereafter referred to as the Village) was created under the provisions of the Lawrason Act, La. Revised Statute 33:321-463, 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 579 persons. Within the boundaries are approximately 10 miles of roads maintained by the Village. It serves an average of 304 water and 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 La. Revised Statute 24:513 and to the guidelines set forth in the *Louisiana Governmental Audit 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 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 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.

Government-Wide Accounting: In accordance with Government Accounting Standards Board's Statement No. 34, the Village has presented a Statement of Net Position and Statement of Activities for the Village as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Inter-fund receivables and payables are eliminated in the statement of net assets except for the net residual amounts due to between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net position.

Program Revenues

The statement of activities presents three categories of program revenues - (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Village. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for a specific use.

Direct/Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Village of Wilson has chosen not to do so.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of an entity's main operation are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Restricted Net Position

Restricted net assets are those for which a constraint has been imposed either externally or by law. The Public Defender recognizes the use of restricted resources for expenditures that comply with specific restrictions. Restricted resources are exhausted before restricted net assets are used.

Fund Accounting: The Village uses funds 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 and activities.

A fund is separate entity with a self-balancing set of accounts. 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:

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 – is 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. Enterprises Funds – account for operations (a) where the intent of the governing body is that 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/Measurement Focus: The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The government-wide statements are reported using economic resources measurement focus and the accrual basis of accounting. With the measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of governmental-type and business-type activities are included in the statement of net position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in the net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

Budgets and Budgetary Accounting: The Village adopts an annual budget for the General Fund, Special Revenue Fund and Enterprise Funds. 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.

**VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Investments: The Village of Wilson categorizes the fair value of its investments on the hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 are significant unobservable inputs. All of the Village's investment are Level 1 inputs.

Inventory: Inventory is reported at cost. It includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statement.

Receivables: Receivables are recorded net of any allowance for uncollectible amounts in both governmental and business-type activities. Revenues become susceptible to accrual when they become both measureable and available.

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

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

Capital Assets: The Village's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Buildings	40 years	Vehicles	7-10 years
Equipment	4-10 years	Infrastructure	40-50 years
Office furniture	5-7 years		

Beginning in June 1999, in accordance with Governmental Accounting Standards Board issued Statement No. 34 the Village has used the basic approach to infrastructure reporting for its governmental activities.

Compensated Absences: The Village does not have any compensated absences.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

Net Position/Fund Balances: In the statement of net position, the difference between a government's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Restricted Net Position

Net position that are reserved by external sources, such as banks or by law, are reported separately as restricted net position. When assets are required to be retained in perpetuity, these non-expendable net position are recorded separately from expendable net position. These are components of restricted net position.

Unrestricted Net Position

This category represents net position not appropriate for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Non-spendable

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

Restricted

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

Committed

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

Assigned

Resources earmarked for a specific purpose by government's management are reported as assigned fund balances.

Unassigned

This category represents that portion of equity that are available for any purpose.

The Village of Wilson applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within the unrestricted fund balance, committed amounts are reduced first by assigned and then unassigned when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The Village of Wilson does not have a formal fund balance policy.

Interfund Transactions: All interfund transactions, except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

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

NOTE 2 – CASH AND CASH EQUIVALENTS

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.

**VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Village has no deposits (bank balances) that are considered uninsured and uncollateralized at June 30, 2017.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

A summary of cash and cash equivalents (book balances) at June 30, 2017 is as follows:

	Governmental	Business-type
	<u>Activities</u>	<u>Activities</u>
Demand deposits	62,622	14,573
Interest-bearing demand deposits	10,557	-
Total	62,622	14,573

NOTE 3 – RECEIVABLES

The following is a summary of receivables, not including interfund or intergovernmental transactions, at June 30, 2017:

	General	Special	Enterprise	
Class	Fund	Revenue	Fund	Total
Accounts			13,129	13,129
Franchise Taxes	4,341			4,341
Sales Tax	3,841	5,017		8,858
Total	8,182	5,017	13,129	26,328

Utility meters are read on the 15th of each month and bills are 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. These receivables, included in the above totals, were \$3,474 June 30, 2017.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, was as follows:

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

	<u>Beginning</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending</u>
Governmental Activities				
Capital Assets, not being depreciated				
Land	20,069	-	-	20,069
Capital Assets, being depreciated				-
Building and Improvements	35,121	-	-	35,121
Less: accumulated depreciation	(21,984)	(878)	-	(22,862)
Net Buildings and Improvements	13,137	(878)	-	12,259
Equipment	143,078	-	-	143,078
Less: accumulated depreciation	(137,236)	(4,769)	-	(142,005)
Net Equipment	5,842	(4,769)	-	1,073
Office furniture	4,343	-	-	4,343
Less: accumulated depreciation	(4,343)	-	-	(4,343)
Net Office furniture	-	-	-	-
Vehicles	46,166	-	-	46,166
Less: accumulated depreciation	(26,663)	(9,234)	-	(35,897)
Net Vehicles	19,503	(9,234)	-	10,269
Infrastructure	417,307	-	-	417,307
Less: accumulated depreciation	(212,110)	(20,866)	-	(232,976)
Net Infrastructure	205,197	(20,866)	-	184,331
Total Capital Assets, being depreciated, net	243,679	(35,747)	-	207,932
Capital Assets, Net	263,748	(35,747)	-	228,001
Business-type Activities				
Capital Assets, being depreciated				
Equipment	45,793	-	-	45,793
Less: accumulated depreciation	(38,287)	(1,832)	-	(40,119)
Net Equipment	7,506	(1,832)	-	5,674
Water system	1,277,382	215,978	-	1,493,360
Less: accumulated depreciation	(456,258)	(37,335)	-	(493,593)
Net Water System	821,124	178,643	-	999,767
Sewer system	745,423	-	-	745,423
Less: accumulated depreciation	(313,078)	(18,634)	-	(331,712)
Net Sewer System	432,345	(18,634)	-	413,711
Capital Assets, net	1,260,975	158,177	-	1,419,152

**VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Depreciation expense was charged to governmental functions as follows:

General Government	5,647
Public Safety	20,866
Public Works	<u>9,234</u>
 Total	 <u><u>35,747</u></u>

Depreciation expense was charged for business type activities as follows:

Water	39,167
Sewer	18,634
 Total	 <u><u>57,801</u></u>

In the enterprise fund, the Village did water well improvements of \$215,978. There were no additions in the governmental activities fund.

NOTE 5 – RETIREMENT SYSTEM

The Village has no retirement system in place other than social security.

NOTE 6 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables by fund at June 30, 2017:

Class	Special			Total
	General Fund	Revenue Fund	Enterprise Fund	
Accounts Payable	12,822	2,091	3,048	17,961
Payroll Taxes	2,260	-	-	2,260
Customer Deposits	-	-	16,878	16,878
Total	<u>15,082</u>	<u>2,091</u>	<u>19,926</u>	<u>37,099</u>

NOTE 7 – LONG-TERM OBLIGATIONS

As part of its water system enhancement project, the Village incurred debt through a certificate of indebtedness dated April 19, 2017, in the amount of \$127,000 for 84 months at an interest rate of 3.791%. Payments in the amount of \$1,723.25 began in May of 2017. The activity for the year is as disclosed below:

	Beginning			Ending Balance	Due Within One Year
	Balance	Additions	Reductions		
Certificates of Indebtedness	125,691	-	(16,194)	109,497	16,878

**VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

The maturity schedule is as follows:

Year Ended			
June 30	Principal	Interest	Total
2018	16,878	3,807	20,685
2019	17,529	3,156	20,685
2020	18,206	2,480	20,686
2021	18,908	1,777	20,685
2022	19,637	1,048	20,685
2023	18,339	296	18,635
Total	109,497	12,564	122,061

NOTE 8-INTERFUND RECEIVABLES AND PAYABLES

The Village had the following interfund receivables and payables for June 30, 2017:

	Interfund Receivables	Interfund Payables
General Fund	90,600	
Streets and Sidewalk Fund	20,816	
Enterprise Fund		111,416
Total	111,416	111,416

NOTE 9 – COOPERATIVE ENDEAVOR AGREEMENTS

On June 8, 2004, the Village entered into a cooperative endeavor agreement with the Community Youth Organization of the Village of Wilson (the Organization) for the purpose of reviving, improving, maintaining, preserving and promoting the beneficial public use of the park area located at 6525 Sycamore Street in Wilson (volunteer fire department building). The Organization assumes full responsibility for its maintenance, supervision and security at all activities held there. While the property is to be open to the public, the Organization has the right to impose reasonable fees as may be necessary for the maintenance, operation and improvement of the park.

NOTE 10 – RELATED PARTY TRANSACTIONS

There were no related party transactions that are require disclosure.

NOTE 11 – LITIGATION

There is no litigation against or on behalf of the Village that would require disclosure in the accompanying financial statements.

**VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12 – SUBSEQUENT EVENTS

There were no events between the close of the year through January 6, 2019, the date on which this report was available to be issued, would materially impact the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

VILLAGE OF WILSON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEARS ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 45,000	\$ 45,000	\$ 54,180	\$ 9,180
Franchise fees	22,000	22,000	21,307	(693)
Occupational licenses	18,000	18,000	12,189	(5,811)
Fines	35,000	35,000	21,499	(13,501)
Other revenues	1,000	1,000	3,631	2,631
Total Revenues	121,000	121,000	112,806	(8,194)
EXPENDITURES				
General government	66,330	66,330	111,741	(45,411)
Public Safety:				
Police	66,330	66,330	58,585	7,745
Total Expenditures	132,660	132,660	170,326	(37,666)
Excess (Deficiency) of Revenues over Expenditures	(11,660)	(11,660)	(57,520)	29,472
OTHER FINANCING SOURCES (USES)				
Grants and other contributions	-	-	-	-
Transfers	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Change in Fund Balances	(11,660)	(11,660)	(57,520)	29,472
Fund Balances, beginning	214,352	214,352	214,352	-
Fund Balances, ending	202,692	202,692	156,832	29,472

See Independent Auditor's Report

**VILLAGE OF WILSON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
YEARS ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales tax	\$ 65,000	\$ 65,000	\$ 65,291	\$ 291
Investment earnings	-	-	-	-
Total Revenues	65,000	65,000	65,291	291
EXPENDITURES				
Public Works	55,905	55,905	62,261	(6,356)
Total Expenditures	55,905	55,905	62,261	(6,356)
Excess (Deficiency) of Revenues over Expenditures	9,095	9,095	3,030	6,647
Fund Balances, beginning	49,892	49,892	49,892	-
Fund Balances, ending	58,987	58,987	52,923	6,647

See Independent Auditor's Report

SUPPLEMENTAL INFORMATION

VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
YEARS ENDED JUNE 30, 2017

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

<u>Name</u>	<u>Amount</u>
Alderwoman Yvonne Allen	\$ 2,199
Alderwoman Georgia Honore	2,199
Alderwoman Harriett Sensley	<u>2,199</u>
Total	<u>\$ 6,598</u>

See Independent Auditor's Report

VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
YEARS ENDED JUNE 30, 2017

Agency Head

Marilyn Broadway
Mayor

Purpose

Amount

Salary	\$ 6,000
Reimbursements - office supplies	<u>360</u>
Total Compensation, Benefits and Other Payments	<u><u>6,360</u></u>

See Independent Auditor's Report

VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF OPERATING EXPENSES
PROPRIETARY FUNDS
YEARS ENDED JUNE 30, 2017

Administrative:

Dues and memberships	329
Insurance	-
Office expense	1,237
Postage	-
Total Administrative	1,567

Depreciation:

Depreciation - sewer	18,635
Depreciation - water	39,166
Total Depreciation	57,801

Employee and Related Expenses:

Payroll taxes	1,199
Salaries	13,233
Training	242
Total Employee and Related Expenses	14,674

Occupancy:

Utilities and telephone	3,467
Total Occupancy	3,467

Personal Services:

Chemicals and supplies	14,718
Safe Drinking Water Fees	3,978
Gas/oil	-
Miscellaneous	2,853
Professional fees	2,954
Repairs and maintenance	25,641
Total Personal Services	50,144

Total Operating Expenses	127,653
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See Independent Auditor's Report

Minda B. Raybourn

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Member
AICPA

Member
LCPA

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

The Honorable Marilyn Broadway, Mayor
And Board of Aldermen
Village of Wilson
PO Box 40
Wilson, Louisiana 70789

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Wilson, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Village of Wilson, Louisiana's basic financial statements and have issued our report thereon dated January 6, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, I considered the Village of Wilson, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Wilson, Louisiana's internal control. Accordingly, I do not express an opinion on the effectiveness of the Village of Wilson, Louisiana's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that I consider to be material weaknesses. (Findings 2017-001, 2017-002, 2017-004, 2017-005).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Wilson, Louisiana's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2017-003 and 2017-006.

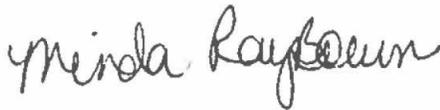
Village of Wilson, Louisiana's Response to Findings

Village of Wilson, Louisiana's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. Village of Wilson, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Minda Raybourn, CPA

Franklinton, LA

January 6, 2019

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017**

I have audited the financial statements for the Village of Wilson as of and for the year ended June 30, 2017, and have issued my reported dated January 6, 2019. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2017, resulted in an unmodified opinion.

Section I Summary of Auditor's Report

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

Internal Control	Significant Deficiencies	No
	Material Weaknesses	Yes
Compliance	Material to Financial Statements	Yes

B. Federal Awards Not Applicable

Section II Federal Award Findings and Questioned Costs

None

Section III Management Letter

None

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017**

Finding 2017-001 Lack of Controls over Utility Collections

Criteria: Utility collections should be recorded daily in the utility billing system and accounting records. Deposits should be made daily. Supporting documentation from the utility billing system on collections should correspond with bank deposits. Adjustments to customer accounts should be made only with management approval.

Condition: In the two months of July and August 2016, \$2,822.35 in utility collections could not be traced to the Village bank accounts. This finding is further detailed in the following disclosure. Adjustments for July and August 2016 were done to customer accounts in the amount of \$ 2,565.57 with no proof of management approval or documentation as to why they were recorded to the customer accounts. Accounts receivable transactions are not balanced between the utility billing system and the general ledger. Monthly reconciliations between the accounting records and the utility billing system are not being performed. Collections are being posted to revenue accounts instead of accounts receivable. Reports from the utility billing system are not being used to record revenues and adjustments to the general ledger. Adjustments from the utility billing system are not being recorded in the general ledger.

#	ELEMENT OF FINDING	RESPONSE
1	A general statement describing the fraud or misappropriation that occurred.	It appears that utility collections have been misappropriated.
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	The utility receipts of the village have been misappropriated.
3	The amount of funds or approximate value of assets involved.	\$2,822.35
4	The department or office in which the fraud or misappropriation occurred.	The misappropriation occurred in the village clerk office.
5	The period of time over which the fraud or misappropriation occurred.	July 2016 and August 2016
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	The act was believed to have originated in the village clerk office.
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	No formal charges have been brought against any individual as of the date of this person.
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	The person of suspect is no longer employed with the Village.
9	If the person who committed or is believed to have committed the act of	Not applicable.

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017**

	fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	The parish sheriff's office was notified. No other law enforcement bodies have been notified.
11	What is the status of the investigation at the date of the auditor's/accountant's report?	The status is unresolved as of the date of the audit report.
12	If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	The investigation is not complete and not charge have been filed.
13	What is the status of any related adjudication at the date of the auditor's/accountant's report?	There is no related adjudication as of the time of the audit report.
14	Has restitution been made or has an insurance claim been filed?	None at the time of the audit report.
15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	The Louisiana Legislative Auditor's office has been notified. The District Attorney has not been notified.
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	There was a lack of internal control that did not allow the detection of the misappropriation in a timely manner.
17	If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	One person handled the billing, collections, adjustments, and recording. There was a lack of separation of duties between village personnel.
18	Management's plan to ensure that the fraud or misappropriation does not occur in the future	The village has hired an external accountant to perform reconciliations. Policies and procedures have been adopted to ensure that internal controls over collections are followed.

Effect: Lack of internal controls resulted in misappropriations of utility collections, misstatement of receivables and revenues, and adjustments being performed without proper approvals.

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017**

Cause: The Village does not have adequate internal controls over utility collections, utility receivables, and customer account adjustments.

Recommendation: The Village needs to put policies and procedures in place to require daily deposits, reconciliations of utility system collection documentation with the general ledger, adjustments to be performed with adequate documentation and management approval, month end reconciliation of the accounts receivable between the general ledger and utility billing system, appropriate recording of billings, payments, and adjustments,

Management Response: Management response is attached.

Finding 2017-002 Lack of Controls over Disbursements

Criteria: Adequately designed and operating internal controls over financial reporting provides for adequate documentation to support transactions and to allow for proper review and approval of transactions including disbursements.

Condition: Some of the disbursements tested did not have supporting documentation. Approval by management of the disbursement is haphazard. Some were approved and others were not.

Effect: Without adequate documentation to support disbursements, there is no proof the expenditure was properly initiated, approved for payment, and reviewed for adequacy. There is no proof that the disbursements were paid to the appropriate vendors. Lack of adequate documentation demonstrates the Village's lack of internal controls over disbursements. Lack of proper documentation exposes the Village to possible fraud and misappropriation of assets.

Cause: The village lacks internal controls to require management approval of disbursements. The village lack of internal controls allowed payments to be done without proper supporting documentation.

Recommendation: The Village should put in place internal controls to ensure that proper documentation is provided to support all disbursements. Internal controls need to be put in place to ensure that management reviews and approves all disbursements

Management Response: Management response is attached.

Finding 2017-003 Noncompliance with Local Government Budget Act

Criteria: The Village must comply with certain provisions of the Local Government Budget Act set forth in state law, LSA R.S. 39:1301-1314. The Act contains various budget requirements for the General Fund and special revenue funds regarding public notification and disclosure, and requires budget to be amended when:

- 1) Total revenues, or other sources plus project revenue and other sources for the remainder of the year are failing to meet total budgeted expenditures and other sources by five percent or more.
- 2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year are failing to meet total budgeted expenditures and other uses by five percent or more
- 3) Actual beginning fund balance within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017**

Condition: For the fiscal year ended June 30, 2017 in the general fund revenues were under budget by 6.77% and expenditures were over budget by 28.39%. In the street and sidewalk fund, expenditures were over budget by 11.37%.

Effect: If the budget is not monitored on a monthly basis and amended as required and if expenditures exceed available funds, an entity is in violation of the Local Government Budget Act.

Cause: The Village failed to amend the budget appropriately.

Recommendation: The Village needs to insure before year end that the budget is amended properly for all revenue, expenditure and transfer items.

Management Response: Management response is attached.

Finding 2017-004 Monthly Bank Reconciliations

Criteria: Strong internal controls provide that bank reconciliations are done timely so that all transactions are included in the accounting records and that bank accounts are correctly stated.

Condition: The bank reconciliations were not done monthly. The monthly bank reconciliations had outstanding checks older than one year. The village hired a new external accountant that had to redo the reconciliations.

Effect: If bank reconciliations are not done timely, transactions could go undetected and not be recorded properly and cash balances could be misstated.

Cause: Management lacked internal controls to ensure the reconciliations were done monthly and be approved by someone other than the one doing the reconciliation.

Recommendation: The village needs to adopt policies and procedures to require reconciliations each month and require approval by someone other than the person doing the reconciliation. Outstanding checks more than one year old need to be researched and corrected.

Management Response: Management response is attached.

Finding 2017-005 Lack of Controls over Customer Deposits

Criteria: Strong internal controls over the processing of utility customer deposits is essential to help ensure written policies and procedures are followed, to ensure that customer deposit listing in the utility billing system is accurate, that customer deposit payments are processed correctly, and refunds of customer deposits are processed accurately and correctly.

Condition: The village did not have adequate documentation to support customer deposits. Reconciliations are not being done monthly between the utility billing system and the accounting system.

Effect: Failure to maintain adequate records of customer deposits on the utility billing system creates an environment in which customer deposits are not being refunded correctly, payments and refunds are not

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017**

being processed adequately in the utility billing system, and reconciliations are not performed on the customer deposit listing and accounting records.

Cause: The village lacks internal controls over customer deposits.

Recommendation: The village needs to review its customer deposit listing and reconcile with the accounting records. Monthly reconciliations between the listing and accounting records needs to be done.

Management Response: Management response is attached.

Finding 2018-006 Late Submittal of Audit

Criteria: Per Louisiana law, a municipality must submit an annual report no later than six months after the end of the entity's fiscal year.

Condition: The Village's report was submitted in January 2019.

Cause: The Village was late submitting accounting records to the auditor..

Effect: The Village was in violation of state audit law.

Recommendation: The Village must ensure that the accounting records are submitted to the auditor in a timely manner to ensure there is time for review procedures to be completed.

Management's Response: Management response is attached.

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2016**

I was engaged to audit the financial statements of the Village of Wilson, Louisiana as of and for the years ended June 30, 2016, and have issued my report thereon dated May 19, 2017. I conducted my engagement to audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My engagement to audit the financial statements as of June 30, 2016, resulted in a disclaimer of opinion.

Section 1 Summary of Auditor's Reports

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

Internal Control	Significant Deficiencies	<input type="checkbox"/> Yes
	Material Weaknesses	<input type="checkbox"/> Yes
Compliance	Material to Financial Statements	<input type="checkbox"/> No

2. Federal Awards
None

Section II Financial Statement Findings

2016.001 Utility Customer Accounts

Criteria. Internal controls are essential for the effective operations of the Village. Strong controls provide the means to ensure that the likelihood of significant errors or fraud will not occur and go undetected.

Condition. Adjustments were made to customer accounts without supporting documentation to indicate why or that the adjustment had been approved by someone other than the Clerk that made the adjustment.

Recommendation. I recommend that management adopt policies and procedures for appropriate handling of adjustments made to customer accounts that includes a review and approval process by someone other than the Utility Clerk.

Management's Response. We will comply with this recommendation. (See Corrective Action Plan for 2016)

2016.002 Monthly Reconciliations

Criteria. Internal controls are essential for the effective operations of the Village. Strong controls provide the means to ensure that the likelihood of significant errors or fraud will not occur and go undetected.

Condition. While all cash accounts were timely reconciled each month, there was no evidence that the reconciliations were reviewed by anyone other than the Clerk that prepared them. Additionally, there are no periodic reconciliations of accounts receivable, payable, customer deposits or other such accounts to underlying records to support the amounts reported on the books. Consequently, the auditor could not satisfactorily document the completeness of cash and therefore could not issue an opinion on the financial statements. See Basis for Disclaimer of Opinion and Disclaimer of Opinion in the audit report.

Recommendation. I recommend that management adopt policies and procedures that provide for periodic reconciliations to properly manage material reporting.

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2016**

Management's Response. We will comply with this recommendation. (See Corrective Action Plan for 2016)

2016.003 Misappropriation Finding

Criteria. Strong internal controls are essential to safeguard the assets of the Village. Said controls ensure that the assets are protected from theft, abuse or misappropriation.

Condition. During the course of the audit it was discovered that cash accounts had been combined; cash was not being deposited timely; customer accounts were not being properly credited; the Village fuel credit card had been used without authorization and some personal items had been purchased using the fuel credit card.

Recommendation. I recommend that management adopt policies and procedures for appropriate handling of cash receipts and disbursements and institute a process that includes a review and approval by someone unrelated to the receipts and payment process.

Management's Response. We will comply with this recommendation. (See Corrective Action Plan for 2016)

Finding 2016.003 discloses a misappropriation finding that an estimated \$18,000 was misappropriated. Further disclosure required by the Legislative Auditor follows in the following table.

**AGENCY NAME: VILLAGE OF WILSON
FISCAL YEAR END: JUNE 30, 2016**

#	ELEMENT OF FINDING	RESPONSE
1	A general statement describing the fraud or misappropriation that occurred.	It appears that cash may have been misappropriated as well as the Village credit card misused.
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	The utility receipts of the Village appear to have been misappropriated.
3	The amount of funds or approximate value of assets involved.	The estimated amount of loss is. \$18,000.
4	The department or office in which the fraud or misappropriation occurred.	The utility department and the Town Clerk's office appears to be where the misappropriation occurred.
5	The period of time over which the fraud or misappropriation occurred.	It appears that the misappropriation took place as early as the first quarter 2015 thru September 30, 2016.
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	The investigation is not complete at the date of the auditor's report.
7	The name of the person who committed or is believed to have committed the act	No formal charges have been brought against any individual as of the date of the report.

	of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	The investigation is not complete at the date of the auditor's report.
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	N/A
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	The appropriate law enforcement agency has been notified.
11	What is the status of the investigation at the date of the auditor's/accountant's report?	The status of the investigation at the date of the auditor's report is ongoing.
12	If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	The investigation is not complete.
13	What is the status of any related adjudication at the date of the date of the auditor's report?	There is no related adjudication as of the auditor's/accountant's report.
14	Has restitution been made or has an insurance claim been filed?	No restitution has been made. An insurance claim was filed.
15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523? (Applicable to local governments only.)	The Louisiana Legislative Auditor's office has been notified.
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	The agency's internal controls did not allow the detection of the misappropriation in a timely manner.
17	If the answer to the last question is "no", describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	There was not a sufficient separation of duties between personnel that could have prevented the misappropriation.
18	Management's plan to ensure that the fraud or misappropriation does not occur in the future.	Separate the duties so that one person is not responsible for collecting and posting customer accounts or have a second person review the receipts and posting to customer accounts. Additionally, make bank deposits on a daily basis.

**VILLAGE OF WILSON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2016**

Section III Compliance Findings

2016.004 Compliance with Budget Act

Criteria. Louisiana Revised Statute 39:1301-1315 (Government Budget Act) requires that revenues and expenditures fall within 5% of budgeted authority. Based on budgeted revenues of \$116,000 for the General Fund, the Village realized 12.8% less than budgeted amounts. The same holds true for the Streets & Sidewalks Fund that realized 33.22% less than budgeted revenues of \$75,000.

Condition. The District is not in compliance with the Government Budget Act.

Recommendation. I recommend that management review its budget to actual comparison on a periodic basis, at least quarterly, and make appropriate adjustments in order to comply with this Act.

Management's Response. We will comply with this recommendation. (See Corrective Action Plan for 2016)

2016.005 Compliance with Audit Law

Criteria. Louisiana Revised Statute 24:513 (Louisiana Audit Law) requires an annual attest engagement allowing for fiscal accountability. The deadline for submitting an annual report is six (6) months following an entity's year-end. This equates to December 31st for the Village. The audit report for the current year was not submitted before that date.

Condition. The District is not in compliance with the Louisiana Audit Law.

Recommendation. I recommend that management make every attempt to close its books within 45 days following year-end and immediately provide this information for audit.

Management's Response. We will comply with this recommendation. Our typical attest requirement is a review but because of federal funding, an audit was required for the current year. (See Corrective Action Plan for 2016)

Section IV Management Letter

N/A

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Financial Statement Findings

None

Section III Management Letter

None

**VILLAGE OF WILSON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2016**

Section I Internal Control and Compliance Findings

Please refer to management's response included in the schedule of findings and responses on page 46-47 of this report.

Section II Financial Statement Findings

N/A

Section III Management Letter

N/A

VILLAGE OF WILSON
MANAGEMENT'S RESPONSE TO FINDINGS
JUNE 30, 2017

2017 – 001 Lack of Controls over Utility Collections-

- *We have added procedures for entering utility deposits. The Town Clerk who serves as Utility Clerk, must record all payments into the Utility Program and in Quick Books. The Town Clerk is required to record all deposits daily in Quick Books, before making the actual deposit.*
- *Bills will also be entered as a Receivable in QuickBooks and payments posted against accordingly to maintain a collection report for proper follow up actions, overseen by an outside accountant.*
- *The Village of Wilson has contracted an outside accounting firm to oversee daily financial transactions. In the event a customer's utility bill should need any form of adjustment, the Town Clerk must complete the "Customer Adjustment Form", attach a copy of the customer's financial report from the Utility program, be approved by the Mayor and filed with current monthly utility reports once completed.*

Policy Number B.04.001 Financial Reporting – attached

Policy Number C.01.001 Purchasing and Disbursements – attached

Policy Number D.01.001 Customer Utility Accounts Policy

- *Note: Town Clerk is the only person who has pass words to QuickBooks, and the Utility Program. The Town Clerk is the only person approved to make deposits on behalf of the Village of Wilson. All office staff are bonded, as they may receive a payment, which is logged in the daily receipt book, customer is given the original copy of receipt, yellow receipt is placed with payment and given to the town clerk for further recording and deposit.*

August 24, 2014 the Village of Wilson appointed Andera M. Adams, to serve as Town Clerk, who was dismissed on October 7, 2016. September 30, 2016, it was found by running a customer adjustment report to capture August 1, 2014 through September 30, 2016 there were a total of \$18,312.19 adjustments made, which the Mayor had not been made aware of. It was noted that additional funds could not be verified in numerous accounts for the Village of Wilson. Immediately both the 20th JDC District Attorney, and East Feliciana Parish Sheriff were both verbally notified. The Board of Alderman approved to hire Mary Sue Staggs, CPA to review all accounts, for possible misuse of funds. Although upon several request, Stages never provided a written report of her findings to the Mayor and Board of Alderman, she along with the 20th JDC District Attorney met with the Mayor and Board of alderman on January 30, 2017 and verbally reported that over \$18,000 in adjustments had been made to customer utility accounts, where it appeared cash was being accepted (against office policy) and not deposited, unauthorized use of a fuel card, unauthorized personnel purchases. February 9, 2017 was sent to advise him of possible misuse of funds had occurred within the Village of Wilson. No action to date.

VILLAGE OF WILSON
MANAGEMENT'S RESPONSE TO FINDINGS
JUNE 30, 2017

2017 -002 Lacks of Controls over Disbursements

- *Amendments have been made to the Village of Wilson Policy Number C.01.001 Purchasing and Disbursements. Internal controls have been put into place to ensure proper documentation is provided before a disbursement is made. Documentation is to be an Approved Purchase Requisition, Approved Purchase Order, Receiving Report, Original Invoice, and Request Invoice Payment that has been reviewed and approved by the Mayor and Board of Alderman before disbursement is made. The Village of Wilson has contracted an outside accounting firm, who will make all disbursements electronically, while ensuring documentation is in order. Original Disbursement documentation will be maintained in each vendors file.*

Policy Number C.01.001 Purchasing and Disbursements – attached

2017 - 003 Noncompliance with Local Government Budget Act

- *The Village of Wilson has contracted an outside account to ensure the we are in compliance with LA R. S. 1301-1314.*
- *The Village of Wilson had engaged the services Mary S. Stages, CPA for fiscal year 2016-2017, where they failed to perform according to state laws. Ms. Stages and staff where approached numerous times, to assist the Mayor and Board of Alderman in acquiring a sound budget, in which they failed to do comply.*
- *The Village of Wilson operated adopted the previous year 2015-2016 budget, while trying to comply with state laws and recover from missing funds, that were reported to all local official's September 30, 2016 and state official's February 9, 2017.*

Policy Number B.001.001 Budget - attached

2017-004 Monthly Bank Reconciliations

- *The Village of Wilson has amended Policy Number B.02.001 Bank Reconciliation, as we now have contracted an outside accounting firm to ensure all monthly bank statements are reconciled by the 30th of the following month. All statements must be reviewed, signed and dated by the Accountant, Town clerk and Mayor. All statements are to be filed by month and current fiscal year.*
- *The Village of Wilson had inquired the services Mary S. Stages, CPA for fiscal year 2016-2017, where they failed to perform according to state laws. It was found in November 2017, Mary S. Stages, CPA and staff had failed to reconcile bank statements for 2016-2017 fiscal year for the Village of Wilson.*

Policy Number B.02.001 Bank Reconciliation

VILLAGE OF WILSON
MANAGEMENT'S RESPONSE TO FINDINGS
JUNE 30, 2017

2017 – 005 Lack of Controls over Customer Deposits

- *We have added procedures to our current banking/utility program, to ensure proper documentation is provided to support all deposits/ disbursements. The Town Clerk who serves as Utility Clerk, must record all payments into the Utility Program and in Quick Books. The Town Clerk is required to record all deposits daily in Quick Books, before making the actual deposit. The Village of Wilson has contracted an outside accounting firm to oversee and audit customer deposits.*

2017-006 Late Submittal Audit

- *The Village of Wilson signed an Engagement Letter on August 16, 2016 with William P. Gaines, Jr., CPA to review and audit all documents for fiscal year ending June 2016. Mr. Gaines failed to comply with the terms in his engagement letter. The Town Clerk made numerous phone calls to secure dates for the audit in question, after leaving several messages, he reported to the Village of Wilson Town Hall to begin the audit the week of May 1, 2017. Mr. Gaines submitted his final report on May 19, 2017.*
- *The Village of Wilson discovered November 2017 that bank statements had not been reconciled since July 2016, therefore the audit Mr. Gaines performed was not accurate. The failure to perform monthly bank reconciliations should have been identified during the audit process.*
- *When the Mayor and Board of Alderman were made aware, they immediately engaged with another accounting firm. The accounting firm had to reconcile banks for fiscal years 2016-2017, 2017-2018. Once all statements were reconciled, and the village of Wilson Mayor and Board of Alderman could get a sound financial figures, we made contact with Minda Raybourn, CPA LLC.*

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

Minda B. Raybourn

*Certified Public Accountant
Limited Liability Company*

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Member
LCPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

December 27, 2017

The Honorable Marilyn Broadway, Mayor
And Board of Aldermen
Village of Wilson
PO Box 40
Wilson, Louisiana 70789

And Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Village of Wilson (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) **Disbursements**, including processing, reviewing, and approving
- d) **Receipts**, including receiving, recording, and preparing deposits
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Village adopted policies and procedures for budgeting, purchasing, disbursements, payroll, and fuel cards effective July 10, 2017. The Village does not policies and procedures in place for contracting, travel and expense reimbursement, ethics, or debt service.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
The village meets monthly.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

No exceptions noted.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

No exceptions noted.

Bank Reconciliations

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

A listing of client bank accounts and management's representation the listing is complete were obtained.

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

- a) Bank reconciliations have been prepared;

Bank reconciliations have been prepared.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that management's review was not documented on the reconciliations.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Management has documentation and has reviewed items that have been outstanding for more than 6 months at the end of the fiscal year.

Collections

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

A listing of cash collection locations and management's representation that the listing is complete were obtained.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

The person responsible for cash appears is bonded. The person responsible for collecting cash is responsible for depositing the cash in the bank. The village has an external accountant to reconcile the bank account. The Village has one cash drawer and is shared.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

There is a formal process to reconcile cash collections to the general ledger by revenue source, by a person who is not responsible for cash collections.

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

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The highest (dollar) week of cash collections for the one collection location was obtained along with collection documentation, deposit slips, and bank statements. All collections were deposited by the next business day.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

All collections were completely supported by documentation for the location tested.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

In all locations, there is a process defined to determine the completeness of all collections by a person who is not responsible for collections.

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

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

A listing of disbursements and management's representation that the listing is complete were obtained.

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

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Purchase orders were not used.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Purchase orders were not approved.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Approved purchase orders were not used until the last few months of the fiscal year. Some payments were paid by statement and not by invoice. Some disbursements were not approved.

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

The village clerk can process payments and add vendors to the entity's accounting system.

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

The village does not have written documentation that prohibits the person with signatory authority or the person that makes the final authorization for disbursements from initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Inquiry and observations of management indicated that unused check stock is maintained in a locked location.

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

The village does not use signature stamps or a signature machine. Payments are mailed the same day they are signed.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

I obtained a listing of fuel cards and management's representation that the listing is complete.

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

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

The payment was reviewed and approved in writing.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

There were no finance charges or late fees.

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

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

The statement was itemized for fuel purchases.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

There were no exceptions to this procedure.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

There is no other documentation required.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

Travel and Expense Reimbursement

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

A listing of travel and expense reimbursements by person and management's representation that the listing is complete were obtained.

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

The village has no written policies to travel and expense reimbursements.

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

The village has no written policies to travel and expense reimbursements.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Two disbursements had no receipts supporting the expense.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Two disbursements had no receipts supporting the expense.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Two disbursements had no receipts supporting the expense.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the

transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Two disbursements had no receipts supporting the expense.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Two disbursements had no receipts supporting the expense.

Contracts

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

A listing of all contracts in effect during the fiscal period and management's representation that the listing is complete were obtained.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions noted.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

No exceptions noted.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

No exceptions noted.

Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No exceptions noted.

- c) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions noted.

- d) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

No exceptions noted.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

A listing of employees with their related salaries and management's representation that the listing is complete were obtained. Five employees were randomly selected and their personnel files were obtained.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

There were no exceptions noted as a result of applying this procedure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

There were no exceptions noted as a result of applying this procedure.

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

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

All selected employees did have daily attendance and leave documented.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

The selected employees did have written documentation but there was no supervisor signature on the leave slips.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

The village did maintain complete written documentation of leave records on the selected employees.

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

No exceptions noted.

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

Some of the monthly federal payroll tax deposits were paid late. Some of the quarterly state withholding taxes were paid late.

Ethics (excluding nonprofits)

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

There were no exceptions noted as a result of applying this procedure.

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

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

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

No debt was issued during the fiscal period.

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

No exceptions noted.

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

The village has no tax millages relating to debt service.

Other

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

The village had misappropriations of utility collections. The misappropriation has been reported to the legislative auditor but not the district attorney.

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

The village does have the required notices posted on its premises.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions were noted as a result of applying this procedure.

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

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

Minda Rayburn

Franklinton, LA
January 9, 2019