

VILLAGE OF WILSON, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

JUNE 30, 2016

**VILLAGE OF WILSON, LOUISIANA
 BASIC FINANCIAL STATEMENTS
 WITH SUPPLEMENTARY INFORMATION
 JUNE 30, 2016**

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**VILLAGE OF WILSON, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

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BASIC FINANCIAL STATEMENTS

**WILLIAM P. GAINES, JR., CPA
A PROFESSIONAL ACCOUNTING CORPORATION
4257 CHURCH STREET, SUITE 105
ZACHARY, LOUISIANA 70791**

INDEPENDENT AUDITORS' REPORT

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

I was engaged to audit 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, 2016, and the related notes to the financial statements. These financial statements collectively comprise the Village of Wilson, Louisiana'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 an opinion on these financial statements based on conducting the 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. Because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

There is not sufficient support for the completeness of cash collections to satisfy myself that receivables and revenues are correctly stated.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion" paragraph, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Wilson, Louisiana. Accordingly, I do not express an opinion on these financial statements.

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 schedule 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 Matters – Other Information

My engagement to 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 the schedule of operating expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the engagement to audit 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 of 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, the schedule of compensation paid to governing members, schedule of compensation, benefits and other payments to agency head and the schedule of operating expenses is 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 May 19, 2017, 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.



William P. Gaines, Jr., CPA
A Professional Accounting Corporation
Zachary, LA
May 19, 2017

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**VILLAGE OF WILSON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

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, 2016**

GOVERNMENTAL ACTIVITIES

Governmental funds, which include general government, public safety and streets and sidewalks, ended the current year with \$459,668 in net position, an increase of \$52,129. A summary of net position and the changes thereof are presented below.

SUMMARY OF NET POSITION

	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 213,483.78	\$ 134,181.22
Capital assets, net	<u>263,747.23</u>	<u>296,418.69</u>
Total Assets	477,231.01	430,599.91
Current and other liabilities	<u>17,562.74</u>	<u>23,060.64</u>
Net Position:		
Net investment in capital assets	263,747.23	296,418.69
Unrestricted	<u>195,921.04</u>	<u>111,120.58</u>
Total Net Position	<u>459,668.27</u>	<u>407,539.27</u>

SUMMARY OF CHANGES IN NET POSITION

	<u>2016</u>	<u>2015</u>
Charges for services	\$ 24,964.48	\$ 32,682.43
Grants and contributions	2,850.00	20,000.00
General revenues and transfers	<u>261,380.71</u>	<u>162,804.62</u>
Total Revenues/Transfers	289,195.19	215,487.05
General government	91,426.29	84,914.91
Public safety	61,241.57	52,564.88
Public works	<u>84,398.35</u>	<u>74,261.11</u>
Total Expenses	<u>237,066.21</u>	<u>211,740.90</u>
Change in Net Position	<u>52,128.98</u>	<u>3,746.15</u>

**VILLAGE OF WILSON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

BUSINESS-TYPE ACTIVITIES

Proprietary funds, that include water and sewer services, experienced an operating loss of \$9,656. Included in this loss is \$35,081 in depreciation, which is a non-cash expense. Activity is summarized below.

SUMMARY OF NET POSITION

	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 96,356.10	\$ 74,423.59
Capital assets, net	1,260,965.10	818,820.03
Total Assets	<u>1,357,321.20</u>	<u>893,243.62</u>
Current and other liabilities	<u>305,246.58</u>	<u>96,604.31</u>
Net Position		
Net investment in capital assets	1,100,858.55	793,820.03
Unrestricted	<u>(48,783.93)</u>	<u>(2,819.28)</u>
Total Net Position	<u>1,052,074.62</u>	<u>796,639.31</u>

SUMMARY OF CHANGES IN NET POSITION

	<u>2016</u>	<u>2015</u>
Operating revenues	\$ 134,979.83	\$ 113,501.60
Transfers	(135,162.45)	(6,227.06)
Non-operating revenues (expenses)	<u>400,253.65</u>	<u>34,003.26</u>
Net Revenues	400,071.03	141,277.80
Operating Expenses	<u>144,635.72</u>	<u>170,242.97</u>
Change in Net Position	<u>255,435.31</u>	<u>(28,965.17)</u>

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, 2016

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 80,750.94	\$ 3,192.33	\$ 83,943.27
Due from other funds	112,774.19	-	112,774.19
Receivables, net	19,958.65	75,710.63	95,669.28
Restricted assets	-	17,453.14	17,453.14
Capitals assets, net	263,747.23	1,260,965.10	1,524,712.33
Total Assets	477,231.01	1,357,321.20	1,834,552.21
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>			
	-	-	-
 <u>LIABILITIES</u>			
Accounts payable	7,663.26	47,980.73	55,643.99
Due to other governmental agencies	586.08	2,401.20	2,987.28
Due to other funds	1,358.32	111,415.87	112,774.19
Payroll tax withholdings/payable	773.98	1,644.71	2,418.69
Deferred revenue	7,181.10	-	7,181.10
Payables from restricted assets			
Customer deposits	-	17,453.14	17,453.14
Bonds payable	-	124,350.93	124,350.93
Total Liabilities	17,562.74	305,246.58	322,809.32
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
	-	-	-
 <u>NET POSITION</u>			
Net investment in capital assets	263,747.23	1,100,858.55	1,364,605.78
Unrestricted	195,921.04	(48,783.93)	147,137.11
Total Net Position	459,668.27	1,052,074.62	1,511,742.89

See Accompanying Notes and Independent Auditor's Report

**VILLAGE OF WILSON, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses)		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 91,426.29	\$ -	\$ -	\$ -	\$ (91,426.29)	\$ -	\$ (91,426.29)
Public safety	61,241.57	24,964.48	2,850.00	-	(33,427.09)	-	(33,427.09)
Public works	84,398.35	-	-	-	(84,398.35)	-	(84,398.35)
Total Governmental Activities	237,066.21	24,964.48	2,850.00	-	(209,251.73)	-	(209,251.73)
Business-type Activities							
Water	115,480.29	117,303.52	-	401,046.68	-	402,869.91	402,869.91
Sewer	29,953.86	17,676.31	-	-	-	(12,277.55)	(12,277.55)
Total Business-type Activities	145,434.15	134,979.83	-	401,046.68	-	390,592.36	390,592.36
Total Primary Government	382,500.36	159,944.31	2,850.00	401,046.68	(209,251.73)	390,592.36	181,340.63

General Revenues and Transfers

Taxes, licenses and fees	121,106.86	-	121,106.86
Interest earned	5.29	5.40	10.69
Other general revenues/transfers, net	140,268.56	(135,162.45)	5,106.11
Total General Revenues and Transfers	261,380.71	(135,157.05)	126,223.66
Change in Net Position	52,128.98	255,435.31	307,564.29
Net Position, beginning	407,539.29	796,639.31	1,204,178.60
Net Position, ending	459,668.27	1,052,074.62	1,511,742.89

See Accompanying Notes and Independent Auditor's Report

FUND FINANCIAL STATEMENTS

**VILLAGE OF WILSON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 28,815.27	\$ 51,935.67	\$ 80,750.94
Due from other funds	91,958.53	20,815.66	112,774.19
Receivables, net			
Franchise fees	5,448.55	-	5,448.55
Sales taxes	14,510.10	-	14,510.10
TOTAL ASSETS	140,732.45	72,751.33	213,483.78
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	4,747.81	2,915.45	7,663.26
Due to other governmental agencies	586.08	-	586.08
Due to other funds	-	1,358.32	1,358.32
Payroll tax withholdings/payable	241.87	532.11	773.98
Deferred revenue	7,181.10	-	7,181.10
Total Liabilities	12,756.86	4,805.88	17,562.74
Fund Balances			
Restricted	-	67,945.45	67,945.45
Committed for police protection	3,852.00	-	3,852.00
Unassigned	124,123.59	-	124,123.59
Total Fund Balances	127,975.59	67,945.45	195,921.04
TOTAL LIABILITIES AND FUND BALANCES	140,732.45	72,751.33	213,483.78

See Accompanying Notes and Independent Auditor's Report

VILLAGE OF WILSON, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2016

Total Fund Balances - Total Governmental Funds	\$ 195,921.04
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 Sheet	<u>263,747.23</u>
Total Net Position - Governmental Activities	<u><u>459,668.27</u></u>

See Accompanying Notes and Independent Auditor's Report

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
REVENUES			
Sales taxes	\$ 39,470.24	\$ 50,077.77	\$ 89,548.01
Franchise fees	19,584.85	-	19,584.85
Occupational licenses	11,974.00	-	11,974.00
Fines	24,964.48	-	24,964.48
Interest earned	-	5.29	5.29
Other revenues	5,106.11	-	5,106.11
Total Revenues	<u>101,099.68</u>	<u>50,083.06</u>	<u>151,182.74</u>
EXPENDITURES			
General government	88,212.65	-	88,212.65
Public safety			
Police	55,601.83	-	55,601.83
Public works	-	60,580.25	60,580.25
Total Expenditures	<u>143,814.48</u>	<u>60,580.25</u>	<u>204,394.73</u>
Deficiency of Revenues over Expenditures	(42,714.80)	(10,497.19)	(53,211.99)
OTHER FINANCING SOURCES (USES)			
Grants and other contributions	2,850.00	-	2,850.00
Transfers	135,162.45	-	135,162.45
Total Other Financing Sources (Uses)	<u>138,012.45</u>	<u>-</u>	<u>138,012.45</u>
Change in Fund Balances	95,297.65	(10,497.19)	84,800.46
Fund Balances, beginning	<u>32,677.94</u>	<u>78,442.64</u>	<u>111,120.58</u>
Fund Balances, ending	<u><u>127,975.59</u></u>	<u><u>67,945.45</u></u>	<u><u>195,921.04</u></u>

See Accompanying Notes and Independent Auditor's Report

**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, 2016**

Net Change in Fund Balances - Total Governmental Funds \$ 84,800.46

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.

(32,671.48)

Change in Net Position - Governmental Activities

52,128.98

See Accompanying Notes and Independent Auditor's Report

**VILLAGE OF WILSON, LOUISIANA
BALANCE SHEET
PROPRIETARY FUNDS
JUNE 30, 2016**

<u>ASSETS</u>	<u>Business-type Activities</u> <u>Enterprise Funds</u> <u>Water and Sewer</u>
Current Assets	
Cash and cash equivalents	\$ 3,192.33
Accounts receivable, net	70,653.38
Unbilled receivables	<u>5,057.25</u>
Total Current Assets	78,902.96
Restricted Assets	
Cash and cash equivalents	17,453.14
Non-Current Assets	
Capital Assets:	
Buildings and improvements	13,580.00
Vehicles	3,606.00
Equipment	39,646.00
Water system	1,263,791.62
Sewer system	745,423.33
Furniture and fixtures	2,541.29
Less: Accumulated depreciation	<u>(807,623.14)</u>
Total Non-Current Assets	<u>1,260,965.10</u>
TOTAL ASSETS	<u><u>1,357,321.20</u></u>

Continued

VILLAGE OF WILSON, LOUISIANA
BALANCE SHEET (Continued)
PROPRIETARY FUNDS
JUNE 30, 2016

<u>LIABILITIES</u>	<u>Business-type Activities</u> <u>Enterprise Funds</u> <u>Water and Sewer</u>
Current Liabilities	
Accounts payable	\$ 47,980.73
Payroll tax withholdings/payables	1,644.71
Due to other governmental agencies	2,401.20
Due to other funds	<u>111,415.87</u>
Total Current Liabilities	163,442.51
Long-Term Liabilities	
Payables from restricted assets	
Customer deposits	17,453.14
Bonds payable	<u>124,350.93</u>
Total Long-Term Liabilities	<u>141,804.07</u>
Total Liabilities	305,246.58
 <u>NET POSITION</u>	
Net investment in capital assets	1,100,858.55
Unrestricted	<u>(48,783.93)</u>
Total Net Position	<u>1,052,074.62</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>1,357,321.20</u></u>

See Accompanying Notes and Independent Auditor's Report

**VILLAGE OF WILSON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016**

	<u>Business-type Activities</u> <u>Enterprise Funds</u> <u>Water and Sewer</u>
OPERATING REVENUES	
Water sales and service	\$ 117,303.52
Sewer sales and service	17,676.31
	134,979.83
Total Operating Revenues	134,979.83
OPERATING EXPENSES	
Administrative	16,070.84
Depreciation	35,081.01
Employee and related expenses	14,402.40
Occupancy	11,623.24
Personal services	67,458.23
	144,635.72
Total Operating Expenses	144,635.72
Operating Loss	(9,655.89)
NON-OPERATING REVENUES (EXPENSES)	
Grants and other contributions	401,046.68
Interest income	5.40
Interest paid	(798.43)
Transfers	(135,162.45)
	265,091.20
Total Non-Operating Revenues (Expenses)	265,091.20
Change in Net Position	255,435.31
Total Net Position, beginning	796,639.31
Total Net Position, ending	1,052,074.62

See Accompanying Notes and Independent Auditor's Report

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016

	<u>Business-type Activities</u> <u>Enterprise Funds</u> <u>Water and Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 104,602.98
Cash paid to employees for services	(14,067.69)
Cash paid to suppliers for goods and services	<u>(117,830.90)</u>
Net Cash Used for Operating Activities	(27,295.61)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Proceeds from grantors	365,291.06
Transfers between funds	<u>(64,664.55)</u>
Net Cash Provided by Non-Capital Financing Activities	300,626.51
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from certificates of indebtedness	127,000.00
Principal payments	(2,649.07)
Interest paid	<u>(798.43)</u>
Net Cash Provided by Capital and Related Financing Activities	123,552.50
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of capital assets	(441,470.46)
Investment earnings	<u>5.40</u>
Net Cash Used for Investing Activities	<u>(441,465.06)</u>
Net Increase in Cash and Cash Equivalents	(44,581.66)
Cash and Cash Equivalents, Beginning of Year	<u>65,227.13</u>
Cash and Cash Equivalents, End of Year	<u><u>20,645.47</u></u>

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016

	<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:	
Operating loss	\$ (9,655.89)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	35,081.01
(Increase) decrease in assets:	
Accounts receivable	(30,758.55)
Increase (decrease) in liabilities:	
Accounts and other payables	(22,343.88)
Customer deposits	381.70
	(27,295.61)
Net Cash Used for Operating Activities	(27,295.61)

BALANCE SHEET PRESENTATION OF CASH

Current Assets:	
Cash and cash equivalents	3,192.33
Restricted Assets:	
Cash and cash equivalents	17,453.14
	20,645.47
Cash and Cash Equivalents, end of year	20,645.47

See Accompanying Notes and Auditor's Report

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF WILSON, LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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**VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Government-Wide Accounting: In accordance with Government Accounting Standards Boards 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.

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 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.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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 the specific restrictions. Restricted resources are exhausted before unrestricted 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 or activities.

A fund is a 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:

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 the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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 an economic resources measurement focus and the accrual basis of accounting. With this 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 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.

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 investments 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.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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 measurable 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.

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-

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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 a 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 the 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.

**VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

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.

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, 2016.

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, 2016, is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Demand deposits	\$ 70,199.29	\$ 19,611.28
Interest-bearing demand deposits	<u>10,551.65</u>	<u>1,034.19</u>
Total	<u>80,750.94</u>	<u>20,645.47</u>

NOTE 3 – RECEIVABLES

The following is a summary of receivables, not including interfund or intergovernmental transactions, at June 30, 2016:

<u>Class</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Funds</u>	<u>Total</u>
Accounts	\$.00	\$.00	\$ 39,955.01	\$ 39,955.01
Grants	.00	.00	35,755.62	35,755.62
Taxes/Licenses:				
Franchise	5,448.55	.00	.00	5,448.55
Sales	<u>14,510.10</u>	<u>.00</u>	<u>.00</u>	<u>14,510.10</u>
Total	<u>19,958.65</u>	<u>.00</u>	<u>75,710.63</u>	<u>95,669.28</u>

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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 \$5,057.25 June 30, 2016.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retire- ments</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 20,068.59	\$.00	\$.00	\$ 20,068.59
Capital Assets, being depreciated				
Buildings and improvements	35,120.89	.00	.00	35,120.89
Less: accumulated depreciation	<u>21,106.02</u>	878.02	.00	<u>21,984.04</u>
Net Buildings and Improvements	14,014.87	(878.02)	.00	13,136.85
Equipment	143,077.55	.00	.00	143,077.55
Less: accumulated depreciation	<u>132,400.15</u>	4,835.23	.00	<u>137,235.38</u>
Net Equipment	10,677.40	(4,835.23)	.00	5,842.17
Office furniture	4,342.97	.00	.00	4,342.97
Less: accumulated depreciation	<u>4,342.97</u>	.00	.00	<u>4,342.97</u>
Net Office Furniture	.00	.00	.00	.00
Vehicles	46,165.67	.00	.00	46,165.67
Less: accumulated depreciation	<u>20,539.28</u>	6,123.88	.00	<u>26,663.16</u>
Net Vehicles	25,626.39	(6,123.88)	.00	19,502.51
Infrastructure	417,306.92	.00	.00	417,306.92
Less: accumulated depreciation	<u>191,275.46</u>	20,834.35	.00	<u>212,109.81</u>
Net Infrastructure	226,031.46	(20,834.35)	.00	205,197.11
Total Capital Assets, being depreciated, net	<u>276,350.12</u>	<u>(32,671.48)</u>	.00	<u>243,678.64</u>
Capital Assets, net	<u>296,418.71</u>	<u>(32,671.48)</u>	.00	<u>263,747.23</u>

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Business-type Activities

Capital Assets, being depreciated				
Equipment	\$ 45,793.29	\$.00	\$.00	\$ 45,793.29
Less: accumulated depreciation	36,962.65	1,324.61	.00	38,287.26
Net Equipment	8,830.64	(1,324.61)	.00	7,506.03
Water system	800,145.54	477,226.08	.00	1,277,371.62
Less: accumulated depreciation	437,410.08	18,847.93	.00	456,258.01
Net Water System	362,735.46	458,378.15	.00	821,113.61
Sewer system	745,423.33	.00	.00	745,423.33
Less: accumulated depreciation	298,169.40	14,908.47	.00	313,077.87
Net Sewer System	447,253.93	(14,908.47)	.00	432,345.46
Capital Assets, net	818,820.03	442,145.07	.00	1,260,965.10

Depreciation expense was charged to governmental functions as follows:

General government	\$ 3,213.64
Public safety	5,639.74
Public works	<u>23,818.10</u>
Total	<u>32,671.48</u>

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, 2016:

	<u>General</u>	<u>Streets & Sidewalks</u>	<u>Enterprise</u>	<u>Total</u>
Accounts (including withholdings)	\$ 4,989.68	\$ 3,447.56	\$ 47,224.24	\$ 55,661.48
Inter-fund transactions	.00	1,358.32	111,415.87	112,774.19
Inter-govt transactions	586.08	.00	2,401.20	2,987.28
Customer deposits	.00	.00	17,453.14	17,453.14
Total	<u>5,575.76</u>	<u>4,805.88</u>	<u>178,494.45</u>	<u>188,876.09</u>

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 – DEFERRED REVENUE

Deferred revenue is as follows at June 30, 2016:

Occupational licenses	\$ <u>7,181.10</u>
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The Village operates in a fiscal year while occupational licenses are issued for a calendar year. Funds received for the period June 1 to December 31, 2016, were deferred as stated above.

NOTE 8 – LONG-TERM OBLIGATIONS

As part of its water system enhancement project, the Village incurred debt through a certificate of indebtedness dated April 19, 2016, in the amount of \$127,000 for 84 months at an interest rate of 3.791%. Payments in the amount of \$1,723.75 began in May of 2016. The maturity schedule is as follows:

<u>Year Ended June 30,</u>		
2017	\$ 16,251.31	\$ 4,433.69
2018	16,878.22	3,806.78
2019	17,529.30	3,155.70
2020	18,205.50	2,479.50
2121	18,907.80	1,777.20
Remaining years....	<u>36,351.46</u>	<u>1,343.88</u>
	<u>124,123.59</u>	<u>16,996.75</u>

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 require disclosure.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11 – LITIGATION

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

NOTE 12 - SUBSEQUENT EVENTS

It is not determinable whether transactions or events subsequent to May 19, 2017, the date on which this report was available to be issued, would materially impact the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

**VILLAGE OF WILSON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales tax	\$ 40,000.00	\$ 40,000.00	\$ 39,470.24	\$ (529.76)
Franchise fees	22,000.00	22,000.00	19,584.85	(2,415.15)
Occupational licenses	10,000.00	10,000.00	11,974.00	1,974.00
Fines	44,000.00	44,000.00	24,964.48	(19,035.52)
Other revenues	-	-	5,106.11	5,106.11
Total Revenues	116,000.00	116,000.00	101,099.68	(14,900.32)
EXPENDITURES				
General government	87,450.00	87,450.00	88,212.65	(762.65)
Public safety:				
Police	55,000.00	55,000.00	55,601.83	(601.83)
Total Expenditures	142,450.00	142,450.00	143,814.48	(1,364.48)
Excess (Deficiency) of Revenues over Expenditures	(26,450.00)	(26,450.00)	(42,714.80)	(16,264.80)
OTHER FINANCING SOURCES (USES)				
Grants and other contributions	-	-	2,850.00	2,850.00
Transfers	-	-	135,162.45	135,162.45
Total Other Financing Sources (Uses)	-	-	138,012.45	138,012.45
Change in Fund Balances	(26,450.00)	(26,450.00)	95,297.65	121,747.65
Fund Balances, beginning	32,677.94	32,677.94	32,677.94	-
Fund Balances, ending	6,227.94	6,227.94	127,975.59	121,747.65

See Independent Auditor's Report

**VILLAGE OF WILSON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales tax	\$ 75,000.00	\$ 75,000.00	\$ 50,077.77	\$ (24,922.23)
Investment earnings	-	-	5.29	5.29
Total Revenues	75,000.00	75,000.00	50,083.06	(24,916.94)
EXPENDITURES				
Public works	52,250.00	52,250.00	60,580.25	(8,330.25)
Total Expenditures	52,250.00	52,250.00	60,580.25	(8,330.25)
Excess (Deficiency) of Revenues over Expenditures	22,750.00	22,750.00	(10,497.19)	(33,247.19)
Fund Balances, beginning	78,442.64	78,442.64	78,442.64	-
Fund Balances, ending	101,192.64	101,192.64	67,945.45	(33,247.19)

See Independent Auditor's Report

SUPPLEMENTARY INFORMATION

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
YEAR ENDED JUNE 30, 2016**

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

<u>Name</u>	<u>Amount</u>
Aldерwoman Yvonne Allen	\$ 2,199.48
Aldерwoman Georgia Honore	2,199.48
Aldерwoman Harriett Sensley	<u>2,199.48</u>
Total	<u>6,598.44</u>

See Independent Auditor's Report

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
YEAR ENDED JUNE 30, 2016**

Agency Head

Marilyn Broadway
Mayor

Purpose

Salary
Reimbursements - office supplies

Amount

\$ 6,000
260

Total Compensation, Benefits and Other Payments

6,260

See Independent Auditor's Report

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF OPERATING EXPENSES
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016**

<u>Administrative:</u>		
Dues and memberships	\$	1,645.00
Insurance		4,641.38
Office expense		9,281.03
Postage		503.43
	Total Administrative	16,070.84
 <u>Depreciation:</u>		
Depreciation - sewer		14,908.47
Depreciation - water		20,172.54
	Total Depreciation	35,081.01
 <u>Employee and Related Expenses:</u>		
Payroll taxes		1,752.70
Salaries		11,450.00
Training		1,199.70
	Total Employee and Related Expenses	14,402.40
 <u>Occupancy:</u>		
Utilities and telephone		11,623.24
	Total Occupancy	11,623.24
 <u>Personal Services:</u>		
Chemicals and supplies		39,992.62
Gas/oil		617.18
Professional fees		7,233.17
Repairs and maintenance		19,615.26
	Total Personal Services	67,458.23
Total Operating Expenses		144,635.72

See Independent Auditor's Report

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ZACHARY, LOUISIANA 70791**

**INDEPENDENT AUDITORS' 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 Alderpersons
Village of Wilson, Louisiana
P. O. Box 40
Wilson, Louisiana 70789

I was engaged to audit, 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-type and business-type activities, each major fund and the aggregate remaining information of the Village of Wilson, Louisiana as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Village of Wilson, Louisiana's basic financial statements, and have issued my report thereon dated May 19, 2017. My report disclaims an opinion on such financial statements because I was unable to obtain sufficient appropriate audit evidence for the completeness of cash collections to satisfy myself that receivables and revenues are correctly stated.

Internal Control over Financial Reporting

In connection with my engagement to audit the financial statements of the Village of Wilson, Louisiana, 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.

My consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, I identified certain deficiencies in internal control that I consider to be material weaknesses and significant deficiencies.

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 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. I consider the deficiencies described in the accompanying schedule of findings and responses, identified as 2016.001, 2016.002 and 2016.003, to be material weaknesses.

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. I consider the deficiencies described in the accompanying schedule of findings and responses as 2016.001, 2016.002 and 2016.003 to be significant deficiencies.

Compliance and Other Matters

In connection with my engagement to audit the financial statements of the Village of Wilson, Louisiana, 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 my tests disclosed instances of noncompliance that is required to be reported under *Government Auditing Standards* and is described as 2016.004 and 2016.005 in the accompanying schedule of findings and responses. Additionally, if the scope of my work had been sufficient to enable me to express opinions on the basic financial statements, other instances of noncompliance or other matters may have been identified and reported herein.

Village of Wilson, Louisiana's Response to Findings

The Village of Wilson, Louisiana's response to the findings identified in my engagement is described in the accompanying schedule of findings and responses. The Village of Wilson, Louisiana's response was not subjected to the auditing procedures applied in the engagement to audit 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 my 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.



William P. Gaines, Jr., CPA
A Professional Accounting Corporation
Zachary, LA
May 19, 2017

**VILLAGE OF WILSON, LOUISIANA
 SCHEUDLE OF 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 I 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 p. 48-69)

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

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

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.

Management's Response. We will comply with this recommendation. (See Corrective Action Plan P.48-69)

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 P.48-69)

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

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 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 about against any individual as of the date of the report.
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 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 auditor's/accountant's report?	There is no related adjudication as of the date of the auditor'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.

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 P.48-69)

**VILLAGE OF WILSON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 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 P.48-69)

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

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
CORRECTIVE ACTION PLAN
FISCAL YEAR 2015-2016

Section I Summary of Auditor's Reports

1. Internal Control and Compliance Material to the Financial Statements

Internal Control	Significant Deficiencies
Compliance	Material Weakness Material to financial Statements
2. Federal Awards	None

Section II Financial Statements

2016.001 Utility Customer Accounts.

Criteria – Internal controls are essential for the effective operations of the Village. Strong controls provide the means to ensure 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 – Management has adopted Policies and Procedures to ensure all adjustments are researched by the Town Clerk and approved by the Mayor or her designee. Policy states approval form must be signed by adjustment is made in the Utility Program. The Mayor has assigned additional duties to a staff member to write policies and procedures, and ensure updates are made accordingly. Alderman Y. Allen was appointed to serve as Chairperson over water/utility service; ensuring policies and procedures are followed.

See attached:

Village of Wilson Water Service Policy dated October 16, 2016, Billing/Payments Services #13

VILLAGE OF WILSON
CORRECTIVE ACTION PLAN
FISCAL YEAR 2015-2016

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.

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

Management Response – The Mayor and Board of Alderman adopted Village of Wilson Administrative Policy and Procedure A.01.002 Bank Reconciliation, dated July 10, 2017. The Village of Wilson has contracted with LWS Solutions Accounting, who will oversee all daily banking transactions, deposits and reconciliation of bank statements and accounts. LWS Solutions provides online services, therefore they will have the ability to work directly with the town clerk, and have access to online services with our banking institution. The Mayor has appointed Alderman G. Honore, to serve as Chairperson on financial/banking. Alderman Honore has no authority to sign checks. The Mayor has assigned duties to a staff member to write policies and procedures, and ensure they are updated accordingly.

See attached:

Village of Wilson Administrative Policy No. A.01.002, Bank Reconciliation Policy dated July 10, 2017.

Village of Wilson
Corrective Action Plan
Fiscal Year 2015-2016

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 P.48-68)

Village of Wilson
Corrective Action Plan
Fiscal Year 2015-2016

Section III Compliance Findings

2016.004 Compliance with Budget Act

Criteria - Louisiana Revised Statute 39:1301-3015 (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 Streets and 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 – The Mayor and Board of Alderman adopted Administrative Policy and Procedure, No. A02.001 Budget, dated July 10, 2017, and Administrative Policy and Procedure, No. A.04.001, Purchasing and Disbursement.

The Village of Wilson was verbally contracted with an outside CPA. We began working with them in April 2017, to obtain an approved budget. Each month we were advised they were working on it. The Mayor and Board of Alderman were advised in November 2017, they were no longer going to work for the Village of Wilson, and have not worked for the Village of Wilson since November 2016. The Village has contracted LWS Solutions accounting firm to review all accounts, ensuring all bank accounts are consolidated, a proposed budget will be presented and approved. The Village of Wilson is currently looking for a CPA to work closely with LWS Solutions and the necessary personnel to secure a budget.

See attached:

Village of Wilson Administrative Policy No. A.01.001 Budget Policy dated July 10, 2017.

Village of Wilson Administrative Policy and Procedure, No. A.04.001, Purchasing and Disbursement.

Village of Wilson
Corrective Action Plan
Fiscal Year 2015-2016

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 31, for the Village of Wilson. The audit report for the current year end was not submitted before that date.

Condition- The village 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 Response – The Mayor and Board of Alderman adopted No A.02.001 Administrative Policy and Procedure, Budget, dated July 10, 2017

The Village of Wilson has secured LWS Solutions accounting services to ensure accounting books are closed at the end of each month. This will ensure all accounts are current and available to be audited at any given time. The Mayor has assigned additional duties to a staff member to write policy and procedures, and ensure they are updated accordingly. The Village will ensure they are in compliance with all Louisiana State Audit Laws. LWS Solutions will monitor all accounts daily to ensure we are within compliance with our approved budget according to Louisiana Revised Statute 24:513.

The Village of Wilson is currently looking for a CPA to work closely with LWS Solutions.

**VILLAGE OF WILSON
WATER SERVICE
POLICY
Effective October 11, 2016**

WATER METER DEPOSIT

1. All customers needing a water meter from the Village of Wilson must first have an Emergency 911 address on all residential or commercial structures, including public buildings, churches and schools.
2. A deposit of \$125 is required on all water meters.
3. If water meter is a new installation, an additional \$175.00 hook-up fee is required. This is non-refundable.
4. Application for services is required, with copy of picture identification.
5. Picture Identification is required for receipt and disbursement of deposit/refund.
6. Transfer of water deposits to another account may only be made with written approval from the owner (s) of the deposit, unless the cause for transfer is customer's death and then only the next of kin may assume deposit and responsibility of the bill.

BILLING/ PAYMENT/SERVICES

1. The Village of Wilson Water System will accept money orders or checks for payments. There will be **NO CASH** accepted.
2. Water meters are read on the 15th of each month, when date falls on a week day. If the 15th falls on a weekend, the meters will be read on the following Monday. Therefore, the billing cycle may show 32 days.
3. Water bills are prepared and mailed by the 28th of each month, to ensure the customer receives their bill on or before the 1st of each month.
4. Water bill payments are due on or before the 15th of each month. The Village of Wilson expects all bills to be paid in full.
5. Water customers with arrears over 30 days and \$75, will be disconnected without notice.

**VILLAGE OF WILSON
WATER SERVICE
POLICY
Effective October 11, 2016**

BILLING/ PAYMENT/SERVICES con't

1. Water meters that are disconnected and locked for non-payment, will continue to be billed the monthly flat rate.
2. If water service is disconnected, payment in full will be required and a reconnection fee of \$50.
3. Water customers are ask to notify the Village of Wilson when moving, to have service disconnected, and leave a forwarding address.
4. Water deposits will be refunded to the customer within 45 days of final bill. The amount of the deposit will depend upon the customer's final bill. The water customer will be billed if there is a balance remaining after the deposit has been applied.
5. Water customers who choose to have their water service placed on vacation (turned off), will be billed the flat rate for monthly service.
6. Water customers who fail to pay their final bill in full will be turned over to collections after 120 days.
7. Customers requesting a transfer service from one residence to another residence will be required to have bill paid in full before transfer of services. No transfer of service will be allowed on outstanding water bills.
8. Water bills which may require adjustments will be fully researched with supporting documentation stating reason for adjustment will be approved in writing by the Mayor or Mayor Pro-Tem, prior to the adjustment.

**VILLAGE OF WILSON
WATER SERVICE
POLICY
Effective October 11, 2016**

METER HOOK-UP

1. The Village of Wilson is only responsible for the water system up to the first connection after the water goes through the meter. Once the meter registers the water usage and the meter is working properly, the customer assumes responsibility and is billed for the water consumed.
2. Hook-up from the meter to the customer's home or business is the customer's responsibility.
3. All residential, commercial, public buildings, ect. Must have their own meter.
4. If a residence or business is within 300 feet of the town's water supply it must be hooked up to the public water supply. No residence or business can be hooked up to more than one water source.
5. Tampering with water meters in any way to receive water without being billed for usage is against the law. Violators are subject to prosecution.
6. Water meters are the property of the Village of Wilson. The shut-off value on the meter belongs to the Village of Wilson and is intended for use only by the Village maintenance operations.
7. Customers are to install their own shut-off values on their side of the meter and where the water enters their residence or business. Customers are not to use the water meter shut-off values.

**WATER SERVICE
POLICY
Effective October 11, 2016**

LEAKS AND REPAIRS

1. The Village of Wilson reserves the right to discontinue water services at any time, with or without advance notice, to make emergency or other repairs.
2. The Village of Wilson reserves the right to discontinue water services immediately, with or without notification to occupants or owners if there is a severe water leak detected on their property including their residence. The Village of Wilson will make every effort to notify the occupant or owner as soon as possible. By this action we hope to avoid a large water bill to our customer, to minimize water damage to the residence and to save the Village undue wear on the water system as well as save chemicals that we have to add to our system.
3. In the event the water level in the Village of Wilson water tower becomes $\frac{3}{4}$ of a tank or less, and there is no way to refill the tank due to loss of electricity or mechanical breakdown, the Village will discontinue water service by turning off the meters.
This will keep our water mains safe from contamination and give us limited water for fire protection.
4. It shall be unlawful for anyone to turn a water meter back on whether it is locked or unlocked. When the problem with the water supply is repaired the Village of Wilson will turn meters back on for your use.
5. The Village of Wilson and the National Plumbing Code require **ALL** water heaters to be installed with a back- flow preventer check valves. This stops the water tank from being emptied during maintenance operations. The Village of Wilson is **NOT** responsible for water heater damage.

Village of Wilson
Corrective Action Plan
Fiscal Year 2015-2016

Administrative

BANK RECONCILIATION POLICY

POLICY AND PROCEDURES
NO. A.01.002

1. **AUTHORITY:** Mayor for the Village of Wilson and the Louisiana and the Louisiana Legislative Auditor.
2. **REFERENCES:** Louisiana Revised Statue (R.S.) 10;4-46 (d) (2) , Louisiana Revised Statue (R.S.) 39:1221, Louisiana Revised Statue(R.S.) 39:1225. Generally Accepted Accounting Principles (GAAP) and Generally Accepted Government Auditing Standards (GAGAS). The Lawrason Act.
3. **PURPOSE:** The municipality, as a public body, is accountable for the manner in which funds are spent. It is essential to monitor actual progress against the budget (financial plan) to ensure that the desired fiscal result will be achieved.
4. **APPLICABILITY:** Elected Mayor for the Village of Wilson, Appointed Town Clerk for the Village of Wilson, Contracted external accounting firm.
5. **POLICY:**It is the Mayor's policy to establish a financial reporting tool to manage and monitor income and expenditures and make financial decisions. The Village of Wilson is a public body, and accountable for the manner in which funds are spent. Timely reconciling of all bank accounts is the key component of good control over cash. Reconciling the bank balance with the book balance (general ledger) is necessary to ensure that all receipts and disbursements are recorded. To ensure all checks that are written are clearing the bank in a reasonable time. Reconciling items are appropriate and being recorded. The reconciled cash balance agrees to the general ledger cash balance.
6. **PROCEDURES:**
 - A. The mayor or designee who is independent of the receipt and disbursement process is to receive the monthly bank statements unopened directly from the bank and or retrieve monthly statements from the online banking system. Monthly statements are to be reviewed for any unusual deposits and disbursement activity. Any unusual activity must be promptly and thoroughly investigated and reported.

Village of Wilson
Corrective Action Plan
Fiscal Year 2015-2016

- B.** After the mayor's or designee's review, the bank statements are to be given to the town clerk who is responsible to ensure that all bank accounts are reconciled with ten (10) business days after the statements are received and or available on line.

Louisiana Revised Statue 10:4-406(d)(2) allows the municipality thirty (30) days to examine bank statements and cancelled checks for unauthorized signatures or alterations. After thirty (30) days, the municipality is precluded from asserting a claim against the bank for unauthorized signatures or alterations.

- C.** The written bank reconciliation is to be prepared by an employee who does not have responsibility and or authority to sign checks, receive and deposit cash; or authorize disbarments.
- D.** The monthly bank reconciliations are to be properly completed, dated and signed by both the preparer and reviewer/approver and maintained on file for subsequent review and audit.
- E.** Bank account balances are to be reviewed monthly to ensure that they are fully secured and that the types of securities pledged by the financial institution are in accordance with Louisiana Revised Statue 39:1221 for kinds of security and Louisiana Revised Statue 39:1225 for amount of security.

Village of Wilson
Corrective Action Plan
Fiscal Year 2015-2016

ADMINISTRATIVE

BUDGET

POLICY AND PROCEDURES

NO. A-02-001

1. **AUTHORITY:** Mayor for the Village of Wilson and the Louisiana and the Louisiana Legislative Auditor.
2. **REFERENCES:** Louisiana Revised Statue (R.S.) 39:1301-1315, Louisiana Revised Statue (R.S.) 33:404(A)(5), Louisiana Revised Statue(R.S.)39:1308, Louisiana Revised Statue(R.S.) 39:1312, Louisiana Revised Statue(R.S.) 39:1311, Louisiana Revised Statue(R.S.) 1305 (C)(1)(D),Louisiana Revised Statue(R.S.) 39:1307, Louisiana Revised Statue(R.S.) 39:1306, Louisiana Revised Statue(R.S.) 39:1308, Louisiana Revised Statue(R.S.) 39:1306(B)(D).Generally Accepted Accounting Principles (GAAP) and Generally Accepted Government Auditing Standards (GAGAS). The Lawrason Act.
3. **PURPOSE:** The municipality, as a public body, is accountable for the manner in which funds are spent. It is essential to monitor actual progress against the budget (financial plan) to ensure that the desired fiscal result will be achieved.
4. **APPLICABILITY:** Elected Mayor for the Village of Wilson, Appointed Town Clerk for the Village of Wilson, Contracted external accounting firm.

POLICY: The mayor has the overall responsibility for preparing, presenting, and administering the annual budget for the general fund and all special revenue funds in accordance with the Local Government Budget Act found in Louisiana Revised Statue 39:1301-1315. Louisiana Revised Statue 33:404(A)(5) the Lawrason Act states the mayor shall have the duty and power to prepare and submit an annual operation budget and capital improvements budget for the municipality to the board of alderman in accordance with the provisions of Louisiana Revised Statue 39:1301 et seq. and any other supplementary laws or ordinances. The boards of alderman are responsible for adopting budgets and amending budgets on a timely basic. Certified copies of the adopted budget, budget adoption instrument, budget amendments, supporting schedules, and the correspondence related to the budgets are to be retained at the office of the mayor.

Village of Wilson
Corrective Action Plan
Fiscal Year 2015-2016

5. PROCEDURES:

- A.** The mayor is to prepare a comprehensive budget presenting a complete financial plan for each fiscal year for the general fund and each special revenue fund using the following guidelines:

 - 1. Revenue projections – Budgeted by fund and/or department and based on historical data and known trends.
 - 2. Expenditure projections - Budgeted by fund and/or department and based on actual costs and reasonable estimates.
 - 3. Fund Balance – Maintain a minimum general fund balance of between 5% and 15% of the operating revenues or no less than one (1) to two (2) months of operating expenditures.

- B.** The budget must include a clearly presented side-by-side detailed comparison of information for the current year, including the fund balances at the beginning of the year, year-to-date actual receipts and revenues received and estimates of all receipts and revenues to be received the remainder of the year; estimates of all expenditures to be made the remainder of the year itemized by agency, department, function, and character; other financing sources and uses by source and use, both year-to-date actual and estimates for the remainder of the year; the year-to-date actual and estimated fund balances as of the end of the fiscal year; and the percentage change for each item of information as required by Louisiana Revised Statute 39:1305(C)(2)(a).

- C.** The mayor is to present the proposed annual budget with an ordinance to the board of alderman no later than fifteen (15) days prior to the beginning of the fiscal year. The proposed budget must be made available for public inspection no later than fifteen (15) days prior to the beginning of the fiscal year in accordance with Louisiana Revised Statute 39:1306 and 39:1308.

The board of alderman are responsible for adopting the budget in an open meeting before the end of the prior fiscal year.

Village of Wilson
Corrective Action Plan
Fiscal Year 2015-2016

No proposed budget shall be considered for adoption or otherwise finalized until at least one (1) public hearing has been conducted on the proposal. The municipality must comply with the notice, publication and public hearing requirements as required by Louisiana Revised Statute 39:1307.

If at the end of the fiscal year, the appropriations necessary for the support of the municipality for ensuring fiscal year have not been made, then fifty percent (50%) of the amounts appropriated in the appropriation ordinance/resolution for the last validly passed budget shall be deemed re-appropriated for the several objects and purposes specified in such ordinance/resolution. The fifty percent (50%) limitation will continue until a budget is approved as stated in Louisiana Revised Statute 39:1312.

- D. The mayor is to administer and monitor the budgets and provide the board of alderman with monthly financial statements and budget-to-actual comparisons, including any warnings of any corrective action needed. The board of alderman are responsible for adopting amended budgets on a timely basics.

The mayor must advise the board when:

1. Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund are failing und to meet total budgeted revenues and other sources by five percent 5% or more.
2. Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent 5% or more.
3. Actual beginning fund balance, within a fund, fails to meet established beginning fund balance by five percent (5%) or more and fund balance is being used to fund current year expenditures.

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E. Budget Preparation

1. Budgeting process is to begin 90 – 120 days before the fiscal year being budgeted.
2. Department heads will meet to discuss and receive any budget request for the year.
3. Analyze trends of all sources of revenues and consider whether any increases are warranted.
4. Using the side by side comparison, analyze current year line-item expenditures to identify cost that can be reduced or eliminated and those that may increase.
5. Prepare a proposed budget for the general fund and each special revenue fund that includes the following as required by Louisiana Revised Statute 39:1305.
 - a. Estimated fund balance at beginning of year.
 - b. Estimated revenues/receipts itemized by source;
 - c. Recommended expenditures itemized by department, function, and character;
 - d. Other financing sources and uses by source and use; and
 - e. Estimated fund balance at end of fiscal year.
 - f. Total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year; i.e. the beginning fund balance and any anticipated revenues.
6. Prepare the budget ordinance to adopt and implement the budget as required by Louisiana Revised Statute 39:1305(D). The ordinance must define the authority of the mayor to make changes within various budget classifications without approval by the board, as well as those powers reserved solely to the board.

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7. Prepare and sign a budget message that contains a summary description of the proposed budget, policies and objectives, assumptions, budgetary basics and discussion of the most important features as required by Louisiana Revised Statute 39:1305(C)(1).

F. Budget Availability, Presentation, and Adoption

1. Before the adoption of the budget, the budget must be made available for public inspection, in reference to Louisiana Revised Statute 39:1306.
 - i. If total proposed expenditures are \$500,000 or less in a fiscal year, the proposed budget will be made available at the office of the mayor for public inspection no later than fifteen (15) days prior to the beginning of the fiscal year, as per Louisiana Revised Statutes 39:1306 and 39:1308.
 - ii. If total proposed expenditures are \$500,000 or more in a fiscal year (includes general fund and special accounts), the public must be afforded an opportunity to participate in the budgetary process prior to adoption of the budget, as per Louisiana Revised Statute 39:1307.
 - iii. If total proposed expenditures are \$500,000 or more, it is mandatory that a notice be published in the official journal stating the proposed budget is available for public inspection, No later than fifteen (15) days prior to the beginning of the fiscal year, stating a public hearing on the proposed budget will be held; date, time, and place of the hearing. Notice of public hearing must be published at least ten (10) days prior to the date of the first public hearing.

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2. If applicable, conduct at least one public hearing on the proposed budget before it is adopted, per Louisiana Revised Statute 39:1307.
3. If applicable, certify completion of public participation in the budget process by publishing a notice in the official journal, per Louisiana revised statute 39:1307.
4. Present the proposed budget ordinance to the board no later than fifteen days (15) prior to the beginning of the fiscal year in accordance with Louisiana Revised Statute 39:1306.
5. Budget must be adopted in an open meeting before the end of the prior fiscal year in accordance with Louisiana Revised Statute 39:1309(B). Note: the adopted budget must be balanced with approved expenditures not exceeding the total of estimated funds available.
6. Certified copied of the budget and ordinance should be provided to the mayor and maintained on file as required by Louisiana Revised Statue 39:1309(D).

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G. Budget Monitoring

- a. Monthly budget-to-actual comparison statements and formally present to the mayor and the board of alderman for review/monitoring purposes.
- b. The mayor or the town clerk must advise the board of alderman when there is a 5% variance in revenues or expenditures or beginning balance.

H. Budget Amendment

- a. Upon receiving notification of a 5% variance or a change in operations upon which the original budget was adopted a, budget amendment ordinance must be adopted by the board of alderman.

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ADMINISTRATIVE

**PURCHASING AND DISBURSEMENT
POLICY AND PROCEDURES
NO. A-04-001**

7. **AUTHORITY:** Mayor for the Village of Wilson and the Louisiana and the Louisiana Legislative Auditor. The Lawrason Act
8. **REFERENCES:** Louisiana Revised Statute (R.S.) 38:2211, Louisiana Revised Statute 39:1551 – 1755 (Louisiana Procurement Code)
9. **PURPOSE:** The municipality, as a public body, is accountable for the manner in which funds are spent. It is essential to monitor actual progress against the budget (financial plan) to ensure that the desired fiscal result will be achieved.
10. **APPLICABILITY:** Elected Mayor for the Village of Wilson, Appointed Town Clerk for the Village of Wilson, Contracted external accounting firm.
11. **POLICY:** Good controls over purchasing and disbursements require appropriate and checks and balances; therefore, more than one individual should be involved in the purchasing and disbursement functions. Any personal use or misappropriation of assets of the municipality will result in termination of employment and possible legal action.

12. PROCEDURES:

Purchasing:

1. Purchasing will be centralize, with controls to ensure that purchases are reasonable and necessary, budgeted, documented and approved, received and safeguarded, and used solely for the public purposes/functions of the municipality.
2. Purchase orders require certain documentation to generate before a purchase can be made and before a disbursement is made. Documentation is to include the following:

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- a. Purchase Orders – The purchase order form must clearly describe the item(s) and quantities to be purchased, be signed by the person/department making the request, and be approved in writing by the mayor or their designated official. The town clerk will verify that adequate funds are budgeted and available and in accordance with the Louisiana Public Bid Law, Louisiana Revised State R.S.38:2211 et.seq.
 - b. Receiving Report – documentation/evidence/invoice from vendor that the items purchased were actually received by the municipality. Employee receiving items must sign and date documentation of receipt and turned into the town clerk.
 - c. Invoice – once the invoice is received from the vendor, the receiving report must be matched with the invoice and verifying purchase order number and items received.
 - d. Approval – after town clerk has made verification matching both invoices, receiving documentation and supporting the payment and amount owed is correct, a request of payment will be prepared, and made available for approval. Request for payment must be approved in writing by the mayor and all board of alderman before payment is made.
3. Related party transactions are strictly prohibited. (i.e., transactions with and individual(s) or business that is “related” to a municipal official or employees.

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4. An open and competitive atmosphere must always be provide and ensure that written bids/quotes are solicited for purchase (including recurring purchases) that exceed the applicable dollar thresholds provided in the Louisiana Public Bid law.
 - a. Bid documentation (solicitation letters, advertisements, bids/quotes, tabulation sheets, minutes, ect.) demonstrating such compliance is to be maintained and filed in an organized manner.
5. The board of alderman must formally acknowledge it is bypassing the requirements of the Public Bid Law and adopt requirements of the Louisiana Procurement Code Louisiana Revised Statue 39:1551-1755. Purchases made under an existing state contract, for purchase made under an existing state contract. Purchase will be monitored to ensure purchases are made in compliance with Louisiana Procurement Code Louisiana Revised Statue 39:1551-1755.
6. For "piggyback" purchases (i.e., municipality makes a purchase using another agency's contract), documentation from the other agency that clearly demonstrates the contract was previously bid and is viable contract. The price paid by the municipality must be the same as the contractor's bid price.
7. An evaluation scoring criteria will be used and maintained when purchase/contracts made under the request for proposals (RFP) .
8. Purchases/procurements related to homeland security must be made from the federal General Services Administration (GSA) supply schedules. GSA requirements will be strictly enforced and monitored.

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Disbursements

1. All disbursements will be made in the form of a check. Cash payments are strictly prohibited.
2. Town clerk will supervise accounts payable/disbursement; this function will be centralized in the town hall.
3. Blank/unused checks will be maintained under lock and access is restricted on to authorized personnel, approved by the mayor.
4. The mayor will sign all checks for the municipality. The mayor-pro-tem will have authorization to sign checks in the absence of the mayor. Disbursements can only be made from an original invoice, The mayor, board of alderman and the town clerk are to document their review and approval to pay on all invoices.
5. All documentation (i.e., purchase orders, receiving report, invoice) supporting the purchase are to be attached together, filed in current fiscal year, by vendors name in the town hall files.