

2453

RECEIVED
LEGISLATIVE AUDITOR

01 DEC 10 PM 1:27

VILLAGE OF WILSON, LOUISIANA
BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

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

Release Date 2-2-05

**VILLAGE OF WILSON, LOUISIANA
 BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
 WITH SUPPLEMENTAL INFORMATION SCHEDULES**

TABLE OF CONTENTS

	<u>Page No.</u>
BASIC FINANCIAL STATEMENTS	
Accountants' Compilation Report	1
Required Supplemental Information (Part 1 of 2)	
Management's Discussion and Analysis.....	3
Government-Wide Financial Statements	
Statement of Net Assets	6
Statement of Activities	7
Fund Financial Statements	
Governmental Funds:	
Balance Sheet.....	9
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets	10
Statement of Revenues, Expenditures and Changes in Fund Balances.....	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	12
Proprietary Funds:	
Balance Sheet.....	13
Statement of Revenues, Expenses and Changes in Net Assets	15
Statement of Cash Flows	16
Notes to the Financial Statements.....	20
Required Supplemental Information (Part 2 of 2)	
Budgetary Comparison Schedule – General Fund	34
Budgetary Comparison Schedule – Special Revenue Fund	35

**VILLAGE OF WILSON, LOUISIANA
BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

TABLE OF CONTENTS

	<u>Page No.</u>
SUPPLEMENTAL INFORMATION	
Schedule of Compensation Paid to Governing Members.....	37
Schedule of Operating Expenses – Proprietary Funds	38
Agreed-Upon Procedures	
Independent Accountants’ Report On Applying Agreed-Upon Procedures.....	40
Louisiana Attestation Questionnaire.....	44

BASIC FINANCIAL STATEMENTS

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

(225) 775-4982

ACCOUNTANTS' COMPILATION REPORT

September 27, 2004

The Honorable Bennie C. Jones, Jr., Mayor
and Board of Alderpersons
Village of Wilson, Louisiana
P. O. Box 40
Wilson, Louisiana 70789

We have compiled the accompanying basic financial statements of the Village of Wilson, Louisiana as of and for the year ended June 30, 2004, as listed in the table of contents.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the terms of our engagement, we have also issued a report on agreed-upon procedures dated September 27, 2004.

Sincerely,



John D. Butler & Company
A Professional Accounting Corporation

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

Village of Wilson

Mayor:
Bennie C. Jones, Jr.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) is a required element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34. Its purpose is to provide an overview of the financial activities of the Village based on currently known facts, decisions or conditions.

THE VILLAGE AS A WHOLE

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. They present governmental activities, such as public safety and general government, separately from business-type activities which includes water and sewer services.

The Village's combined net assets as of June 30, 2004 and 2003 were:

	<u>2004</u>	<u>2003</u>
Invested in capital assets, net of related debt	\$ 1,276,728.60	\$1,311,673.19
Unrestricted	<u>185,165.37</u>	<u>185,684.98</u>
Total Net Assets	<u>1,461,893.97</u>	<u>1,497,358.17</u>

The Village remains debt-free. There are no liabilities of either the governmental or proprietary funds other than normal accounts payable, i.e. utilities, telephone, etc. This is something of which we are very proud. Utilizing grant funds, the Village was able to overlay numerous streets and maintain updated equipment for our police department. We continue to monitor grants available that will enhance the services provided by the Village.

GOVERNMENTAL ACTIVITIES

Governmental funds, which includes general government, public safety and streets and sidewalks, reported a decrease in fund balances of \$29,451. Revenues increased by 23% or \$25,965 including an increase in grants of \$15,334. Fines increased bringing in \$16,970 in the current year compared to \$15,270 in the previous year. In the prior year, the Village had a deficiency of revenues over expenditures of \$31,233 and in the current year the change in fund balance is \$4,190. The Village held its expenditures at \$109,1562. This is a decrease from the prior year of \$9,457 or 9%. The most significant decreases were in the general government of \$3,921, police of \$4,956 and capital outlay of \$3,882.

P.O. Box 40 Wilson, LA. 70789 (225) 629-5415

**VILLAGE OF WILSON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004**

The comparison of budgeted revenues to actual amounts for the general fund was favorable. The most significant impact was an increase of \$3,750 in fines collected and \$3,382 in occupational licenses fees collected. The expenditures for the general fund were \$3,004 more than anticipated.

Actual revenues of the streets and sidewalks fund were \$2,063 greater than budgeted amounts. Sales tax revenues were \$2,391 more than expected and \$1,200 more than the prior year receipts. Expenditures, however, were \$2,982 over that which was budgeted.

The cash on hand at year end was more than the prior year by \$13,483. Certificates of deposit with maturities in excess of 90 days decreased by \$9,736. These funds were used to pay annual insurance premiums that continue to rise each year. The Village purchased capital assets in the amount of \$873 which included police equipment. All other assets and liabilities remained relatively consistent with the prior year.

BUSINESS-TYPE ACTIVITIES

Proprietary funds, which includes water and sewer services, experienced an operating loss of \$41,233. Included in this loss is \$36,325 in depreciation which is a non-cash expense. The operating revenues increased over the prior year by 7% or \$5,551, and the operating expenses increased by 12% or \$14,021. Cash on hand at year end decreased by 12% or \$5,608. Certificates of deposit with maturities in excess of 90 days remain intact at \$39,062. Of these investments, \$14,397 is due back to customers in the way of deposits paid. All other assets and liabilities remained consistent with the prior year.

ADDITIONAL INFORMATION

For questions or additional information, contact Linda Barrett at (225) 629-5415, P. O. Box 40, Wilson, Louisiana 70789.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2004

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 42,425.63	\$ 47,022.56	\$ 89,448.19
Investments	34,700.16	24,664.94	59,365.10
Receivables, net	7,047.69	37,300.96	44,348.65
Restricted assets			
Investments	-	14,396.78	14,396.78
Capitals assets, net	73,943.94	1,191,468.52	1,265,412.46
Total Assets	158,117.42	1,314,853.76	1,472,971.18
<u>LIABILITIES</u>			
Accounts payable	1,410.36	3,236.65	4,647.01
Deferred revenue	3,349.56	-	3,349.56
Payables from restricted assets			
Customer deposits	-	14,396.78	14,396.78
Total Liabilities	4,759.92	17,633.43	22,393.35
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	73,943.94	1,191,468.52	1,265,412.46
Unrestricted	79,413.56	105,751.81	185,165.37
Total Net Assets	153,357.50	1,297,220.33	1,450,577.83

See Accompanying Notes and Accountants' Report

**VILLAGE OF WILSON, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses)</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities							
General government	\$ 24,525.17	\$ -	\$ -	\$ -	\$ (24,525.17)	\$ -	\$ (24,525.17)
Public safety	34,696.40	16,970.00	-	1,838.00	(15,888.40)	-	(15,888.40)
Public works	60,382.85	46,924.20	15,000.00	-	1,541.35	-	1,541.35
Total Governmental Activities	119,604.42	63,894.20	15,000.00	1,838.00	(38,872.22)	-	(38,872.22)
Business-type Activities							
Water	93,531.41	57,663.68	-	-	-	(35,867.73)	(35,867.73)
Sewer	28,359.00	22,993.60	-	-	-	(5,365.40)	(5,365.40)
Total Business-type Activities	121,890.41	80,657.28	-	-	-	(41,233.13)	(41,233.13)
Total Primary Government	241,494.83	144,551.48	15,000.00	1,838.00	(38,872.22)	(41,233.13)	(80,105.35)
	General Revenues						
	Occupational licenses				10,010.41	-	10,010.41
	Franchise fees				16,158.40	-	16,158.40
	State revenue sharing				795.00	-	795.00
	Investment earnings				816.47	706.17	1,522.64
	Other revenues				4,838.56	-	4,838.56
	Total General Revenues				32,618.84	706.17	33,325.01
	Change in Net Assets				(6,253.38)	(40,526.96)	(46,780.34)
	Net Assets, beginning				159,610.88	1,337,747.29	1,497,358.17
	Net Assets, ending				153,357.50	1,297,220.33	1,450,577.83

FUND FINANCIAL STATEMENTS

**VILLAGE OF WILSON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004**

	General	Streets and Sidewalks	Total Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 17,246.04	\$ 25,179.59	\$ 42,425.63
Investments	12,734.80	21,965.36	34,700.16
Receivables, net			
Franchise fees	3,260.28	-	3,260.28
Sales taxes	-	3,556.10	3,556.10
Accrued interest	87.20	144.11	231.31
TOTAL ASSETS	33,328.32	50,845.16	84,173.48
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	527.72	882.64	1,410.36
Deferred revenue	3,349.56	-	3,349.56
Total Liabilities	3,877.28	882.64	4,759.92
Fund Balances			
Unreserved	29,451.04	49,962.52	79,413.56
TOTAL LIABILITIES AND FUND BALANCES	33,328.32	50,845.16	84,173.48

VILLAGE OF WILSON, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2004

Total Fund Balances - Total Governmental Funds \$ 79,413.56

Amounts reported for governmental activities in the
Statement of Net Assets 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 73,943.94

Total Net Assets - Governmental Activities 153,357.50

**VILLAGE OF WILSON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2004**

	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
REVENUES			
Occupational licenses	\$ 10,010.41	\$ -	\$ 10,010.41
Franchise fees	16,158.40	-	16,158.40
State revenue sharing	795.00	-	795.00
Investment earnings	228.61	587.86	816.47
Other revenues	4,823.56	15.00	4,838.56
Fines	16,970.00	-	16,970.00
Sales taxes	-	46,924.20	46,924.20
Grant proceeds	1,838.00	15,000.00	16,838.00
	<hr/>		
Total Revenues	50,823.98	62,527.06	113,351.04
EXPENDITURES			
General government	23,424.38	-	23,424.38
Public safety			
Police	23,277.15	-	23,277.15
Fire	2,605.13	-	2,605.13
Public works	-	58,981.62	58,981.62
Capital outlay	873.26	-	873.26
	<hr/>		
Total Expenditures	50,179.92	58,981.62	109,161.54
	<hr/>		
Change in Fund Balances	644.06	3,545.44	4,189.50
	<hr/>		
Fund Balances, beginning	28,806.98	46,417.08	75,224.06
	<hr/>		
Fund Balances, ending	29,451.04	49,962.52	79,413.56
	<hr/> <hr/>		

See Accompanying Notes and Accountants' 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, 2004**

Net Change in Fund Balances - Total Governmental Funds \$ 4,189.50

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 charged exceeded capital outlay
in the current period.

(10,442.88)

Change in Net Assets - Governmental Activities

(6,253.38)

**VILLAGE OF WILSON, LOUISIANA
BALANCE SHEET
PROPRIETARY FUNDS
JUNE 30, 2004**

<u>ASSETS</u>	<u>Business-type Activities</u> <u>Enterprise Funds</u> <u>Water and Sewer</u>
Current Assets	
Cash and cash equivalents	\$ 47,022.56
Accounts receivable, net	33,898.44
Unbilled receivables	3,259.61
Accrued interest receivable	<u>142.91</u>
Total Current Assets	84,323.52
Restricted Assets	
Investments	14,396.78
Non-Current Assets	
Investments	24,664.94
Capital Assets	
Buildings and improvements	13,580.00
Equipment	5,199.88
Water system	781,365.66
Sewer system	745,423.33
Furniture and fixtures	2,541.29
Less: Accumulated depreciation	<u>(356,641.64)</u>
Total Non-Current Assets	<u>1,216,133.46</u>
TOTAL ASSETS	<u><u>1,314,853.76</u></u>

Continued

VILLAGE OF WILSON, LOUISIANA
BALANCE SHEET (Continued)
PROPRIETARY FUNDS
JUNE 30, 2004

	<u>Business-type Activities</u>
	<u>Enterprise Funds</u>
	<u>Water and Sewer</u>
<u>LIABILITIES</u>	
Current Liabilities	
Accounts payable	\$ 3,236.65
Non-Current Liabilities	
Payables from restricted assets	
Customer deposits	<u>14,396.78</u>
Total Liabilities	17,633.43
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	1,191,468.52
Unrestricted	<u>105,751.81</u>
Total Net Assets	<u>1,297,220.33</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>1,314,853.76</u></u>

**VILLAGE OF WILSON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2004**

	<u>Business-type Activities</u> <u>Enterprise Funds</u> <u>Water and Sewer</u>
OPERATING REVENUES	
Water sales and service	\$ 57,663.68
Sewer sales and service	22,993.60
	80,657.28
Total Operating Revenues	80,657.28
OPERATING EXPENSES	
Personal services	21,920.96
Employee and related expenses	34,366.26
Occupancy	19,546.63
Administrative	9,731.76
Depreciation	36,324.80
	121,890.41
Total Operating Expenses	121,890.41
Operating Loss	(41,233.13)
NON-OPERATING REVENUES (EXPENSES)	
Investment earnings	706.17
	706.17
Change in Net Assets	(40,526.96)
Total Net Assets, beginning	1,337,747.29
	1,337,747.29
Total Net Assets, ending	1,297,220.33
	1,297,220.33

See Accompanying Notes and Accountants' Report

**VILLAGE OF WILSON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2004**

	<u>Business-type Activities</u> <u>Enterprise Funds</u> <u>Water and Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 80,061.32
Cash paid to employees for services	(34,366.26)
Cash paid to suppliers for goods and services	<u>(50,796.58)</u>
Net Cash Used for Operating Activities	(5,101.52)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(506.95)</u>
Net Cash Used for Capital and Related Financing Activities	(506.95)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest reinvested	(748.21)
Interest received on investments	<u>748.21</u>
Net Cash Provided by Investing Activities	<u>-</u>
Net Decrease in Cash and Cash Equivalents	(5,608.47)
Cash and Cash Equivalents, Beginning of Year	<u>52,631.03</u>
Cash and Cash Equivalents, End of Year	<u><u>47,022.56</u></u>

Continued

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2004

	<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	\$ (41,233.13)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	36,324.80
(Increase) decrease in assets:	
Accounts receivable	12.66
Increase (decrease) in liabilities:	
Accounts payable	402.77
Customer deposits	<u>(608.62)</u>
Total adjustments	<u>36,131.61</u>
Net Cash Used for Operating Activities	<u><u>(5,101.52)</u></u>

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF WILSON, LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

<u>Note No.</u>	<u>Description</u>	<u>Page No.</u>
1	Summary of Significant Accounting Policies.....	20
2	Cash and Cash Equivalents.....	26
3	Investments	27
4	Receivables	28
5	Capital Assets	28
6	Pension Plan.....	30
7	Accounts and Other Payables	30
8	Deferred Revenue	30
9	Proprietary Fund Segment Information	30
10	Related Party Transactions	31
11	Litigation.....	31
12	Statement of Cash Flows for Proprietary Funds.....	32
13	Subsequent Events	32

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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 668 persons. Within the boundaries are approximately 10 miles of roads maintained by the Village. It is currently servicing 291 water customers, 108 sewer customers and employs 3 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 matter, 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, 2004

Government-Wide Accounting: In accordance with Government Accounting Standards Board's Statement No. 34, the Village has presented a Statement of Net Assets 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

Interfund 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 are eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they were allocated.

Application of FASB Statements and Interpretations

Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also 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 Assets. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted net assets.

Under the requirements of GASB Statement No. 34, the Village is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The Village has opted not to retroactively report these types of capital assets.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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. The Village did not receive any operating grants/contributions and, therefore, this column is eliminated. 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.

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 has chosen not to do so.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Village's operation of providing water and sewer services 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 Assets

Restricted net assets are those for which a constraint has been imposed either externally or by law. The Village 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:

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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 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 and liabilities associated with the operation of governmental-type and business-type activities are included in the statement of net assets. 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.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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 Fund. It is prepared in accordance with the basis of accounting utilized by that fund. Any revisions that alter the total expenditures must be approved by the Board of Alderpersons. Budgeted amounts shown are as originally adopted or as amended by the Board. Budget amendments are passed on an as-needed basis. A balanced budget is required.

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest bearing demand deposits and certificates of deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments: Investments are limited by La. Revised Statute 49:327. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. All investments of the Village are certificates of deposits held at Feliciana Bank & Trust Co., and the fair value is determined by the face value of the certificate.

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. Components of these assets are as follows:

	Customer <u>Deposits</u>
Certificates of Deposit	\$ <u>14,396.78</u>

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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		

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the Basic financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the Village has elected to not report its governmental infrastructure retroactively. The infrastructure currently being depreciated over a period of 40-50 years is the water and sewer system that is reported in the business-type activities of the Village. From this point forward, the Village will use the basic approach to infrastructure reporting for its governmental activities.

Compensated Absences: The Village does not have 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 Assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

At June 30, 2004, the Village had no long-term debt.

Net Assets/Fund Balances: In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

Invested in Capital Assets, Net of Related Debt

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 Assets

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

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

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

Reserved

These resources are segregated because their use is earmarked for a specific use.

Unreserved

This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

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

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

NOTE 2 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents on hand (book balances) at June 30, 2004, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Petty cash	\$ 20.00	\$ 20.00
Demand deposits	42,405.63	39,564.89
Interest-bearing demand deposits	<u>.00</u>	<u>7,437.67</u>
Total	<u>42,425.63</u>	<u>47,022.56</u>

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

At June 30, 2004, the Village had \$82,431.61 in deposits. These deposits are secured from risk by \$200,000 of federal deposit insurance and \$200,000 in pledged collateral. Bank balances are as follows:

General Fund	\$ 17,269.64
Special Revenue Fund	25,179.59
Enterprise Funds	<u>39,982.38</u>
Total	<u>82,431.61</u>

NOTE 3 – INVESTMENTS

Investments are categorized into these three categories of credit risk:

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

All investments of the Village fall within category 1. The balances at June 30, 2004, are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Carrying Amount</u>
Certificates of Deposit	<u>\$ 73,761.88</u>	<u>\$ 73,761.88</u>	<u>\$ 73,761.88</u>

These certificates are secured from risk by \$100,000 of federal deposit insurance and \$200,000 of pledged securities held by Feliciana Bank & Trust Co. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposit funds upon demand.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 4 – RECEIVABLES

The following is a summary of receivables at June 30, 2004:

<u>Class</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Funds</u>	<u>Total</u>
Accounts	\$.00	\$.00	\$ 37,158.05	\$ 37,158.05
Accrued interest	87.20	144.11	142.91	374.22
Taxes:				
Franchise	3,260.28	.00	.00	3,260.28
Sales	.00	3,556.10	.00	3,556.10
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>3,347.48</u>	<u>3,700.21</u>	<u>37,300.96</u>	<u>44,348.65</u>

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 at June 30, 2004, totaled \$3,259.61.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004, 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	\$ 16,005.59	\$.00	\$.00	\$ 16,005.59
Capital Assets, being depreciated				
Buildings and improvements	35,120.89	.00	.00	35,120.89
Less: accumulated depreciation	<u>13,605.01</u>	<u>878.02</u>	<u>.00</u>	<u>14,483.03</u>
Net Buildings and improvements	21,515.88	878.02	.00	20,637.86
Equipment	76,626.22	873.26	.00	77,499.48
Less: accumulated depreciation	<u>68,909.17</u>	<u>1,957.64</u>	<u>.00</u>	<u>70,866.81</u>
Net Equipment	7,717.05	1,084.38	.00	6,632.67
Office furniture	4,342.97	.00	.00	4,342.97
Less: accumulated depreciation	<u>2,195.25</u>	<u>583.62</u>	<u>.00</u>	<u>2,778.87</u>
Net Office furniture	2,147.72	583.62	.00	1,564.10

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retire- ments</u>	<u>Ending Balance</u>
Vehicles	78,143.05	.00	.00	78,143.05
Less: accumulated depreciation	41,142.47	7,896.86	.00	49,039.33
Net Vehicles	<u>37,000.58</u>	<u>7,896.86</u>	<u>.00</u>	<u>29,103.72</u>
 Total Capital Assets, being depreciated, net	 <u>68,381.23</u>	 <u>(10,442.88)</u>	 <u>.00</u>	 <u>57,938.35</u>
 Capital Assets, net	 <u>84,386.82</u>	 <u>(10,442.88)</u>	 <u>.00</u>	 <u>73,943.94</u>
 Business-type Activities				
Capital Assets, being depreciated				
Building and improvements	13,580.00	.00	.00	13,580.00
Less: accumulated depreciation	10,864.00	1,358.00	.00	12,222.00
Net Building and improvements	<u>2,716.00</u>	<u>1,358.00</u>	<u>.00</u>	<u>1,358.00</u>
 Water system	 781,365.66	 .00	 .00	 781,365.66
Less: accumulated depreciation	183,410.18	19,658.49	.00	203,068.67
Net Water system	<u>597,955.48</u>	<u>19,658.49</u>	<u>.00</u>	<u>578,296.99</u>
 Sewer system	 745,423.33	 .00	 .00	 745,423.33
Less: accumulated depreciation	119,267.76	14,908.47	.00	134,176.23
Net Sewer system	<u>626,155.57</u>	<u>14,908.47</u>	<u>.00</u>	<u>611,247.10</u>
 Equipment	 5,199.88	 .00	 .00	 5,199.88
Less: accumulated depreciation	5,199.88	.00	.00	5,199.88
Net Equipment	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
 Office furniture	 2,034.34	 506.95	 .00	 2,541.29
Less: accumulated depreciation	1,575.02	399.84	.00	1,974.86
Net Office furniture	<u>459.32</u>	<u>107.11</u>	<u>.00</u>	<u>566.43</u>
 Total Capital Assets, being depreciated, net	 <u>1,227,286.37</u>	 <u>(35,817.85)</u>	 <u>.00</u>	 <u>1,191,468.52</u>
 Capital Assets, net	 <u>1,227,286.37</u>	 <u>(35,817.85)</u>	 <u>.00</u>	 <u>1,191,468.52</u>

* Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,100.79
Public safety	8,814.12
Public works	<u>1,401.23</u>
 Total Depreciation Expense	 <u>11,316.14</u>

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 6 – PENSION PLAN

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

NOTE 7 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2004:

	General Fund	Special Revenue Fund	Enterprise Funds	Total
Accounts (including withholdings)	\$ 527.72	\$ 882.64	\$ 3,236.65	\$ 4,647.01
Customer deposits	.00	.00	14,396.78	14,396.78
Total	<u>527.72</u>	<u>882.64</u>	<u>17,633.43</u>	<u>19,043.79</u>

NOTE 8 – DEFERRED REVENUE

Deferred revenue is as follows at June 30, 2004:

Occupational licenses	\$ <u>3,349.56</u>
-----------------------	--------------------

The Village operates in a fiscal year while occupational licenses are issued for a calendar year. Funds received for the period 7/1/04 to 12/31/04 were \$3,349.56.

NOTE 9 – PROPRIETARY FUND SEGMENT INFORMATION

The Village maintains one enterprise fund which provides water and sewer services. Segment information for the year ended June 30, 2004, is as follows:

Condensed Statement of Net Assets

Current assets	\$ 84,323.52
Restricted assets	14,396.78
Capital assets, net	<u>1,216,133.46</u>
Total Assets	1,314,853.76
Current liabilities	3,236.65
Long-term liabilities	<u>14,396.78</u>
Total Liabilities	<u>1,297,220.33</u>
Invested in capital assets, net	1,191,468.52
Unrestricted	<u>105,751.81</u>
Total Net Assets	<u>1,297,220.33</u>

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Condensed Statement of Revenues, Expenses and Changes in Net Assets

Operating Revenues:	
Water sales and service	\$ 57,663.68
Sewer sales and service	<u>22,993.60</u>
Total Operating Revenues	80,657.28
Operating expenses	85,565.61
Depreciation	<u>36,324.80</u>
Operating loss	(41,233.13)
Non-operating revenue	<u>706.17</u>
Change in Net Assets	<u>(40,526.96)</u>

Condensed Statement of Cash Flows

Net cash used for:	
Operating activities	(5,101.52)
Non-capital financing activities	0.00
Capital and related financing activities	(506.95)
Investing activities	<u>0.00</u>
Net decrease in cash and cash equivalents	(5,608.47)
Cash and cash equivalents, beginning of year	<u>52,631.03</u>
Cash and cash equivalents, end of year	<u>47,022.56</u>

NOTE 10 – RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

NOTE 11 – LITIGATION

There is no litigation that would require disclosure in the accompanying financial statements.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 12 – STATEMENT OF CASH FLOWS FOR PROPRIETARY FUNDS

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

	<u>Unrestricted</u>
Water	\$ 33,276.94
Sewer	<u>13,745.62</u>
Total	<u>47,022.56</u>

NOTE 13 – SUBSEQUENT EVENTS

There have been no transactions or events subsequent to the June 30, 2004, through the date of this report that 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, 2004

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Occupational licenses	\$ 6,628	\$ 6,628	\$ 10,010	\$ 3,382
Franchise fees	13,816	13,816	16,158	2,342
State revenue sharing	1,400	1,400	795	(605)
Investment earnings	368	368	229	(139)
Other revenues	7,513	7,513	4,824	(2,689)
Fines	13,220	13,220	16,970	3,750
Grant proceeds	-	-	1,838	1,838
Total Revenues	42,945	42,945	50,824	7,879
EXPENDITURES				
General government	22,500	22,500	23,424	(924)
Public safety:				
Police	22,075	22,075	23,277	(1,202)
Fire	2,600	2,600	2,605	(5)
Capital outlay	-	-	873	(873)
Total Expenditures	47,175	47,175	50,179	(3,004)
Change in Fund Balances	(4,230)	(4,230)	645	10,883
Fund Balances, beginning	66,198	66,198	28,807	(37,391)
Fund Balances, ending	61,968	61,968	29,452	(26,508)

**VILLAGE OF WILSON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2004**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales tax	\$ 44,533	\$ 44,533	\$ 46,924	\$ 2,391
Investment earnings	946	946	603	(343)
Other revenues	-	-	15	15
Grant proceeds	15,000	15,000	15,000	-
Total Revenues	60,479	60,479	62,542	2,063
EXPENDITURES				
Public works	56,000	56,000	58,982	(2,982)
Change in Fund Balances	4,479	4,479	3,560	5,045
Fund Balances, beginning	-	-	46,417	46,417
Fund Balances, ending	4,479	4,479	49,977	51,462

SUPPLEMENTAL INFORMATION

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
YEAR ENDED JUNE 30, 2004**

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

<u>Name</u>	<u>Amount</u>
Mayor Bennie C. Jones, Jr.	\$ 12,215.00
Aldерwoman Marilyn Broadway	1,600.00
Aldерwoman Barbara Hayes	1,600.00
Aldерwoman Eunice Smiley	<u>1,600.00</u>
 Total	 <u>17,015.00</u>

See Accountants' Report

**VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF OPERATING EXPENSES
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2004**

<u>Personal Services:</u>	
Repairs	\$ 7,963.22
Other taxes and licenses	1,523.09
Sewer testing fees	1,410.50
Chemicals and supplies	<u>11,024.15</u>
Total Personal Services	21,920.96
 <u>Employee and Related Expenses:</u>	
Insurance	11,069.90
Salaries	20,777.01
Payroll taxes	2,148.03
Training and seminars	<u>371.32</u>
Total Employee and Related Expenses	34,366.26
 <u>Occupancy:</u>	
Insurance	5,960.71
Utilities and telephone	<u>13,585.92</u>
Total Occupancy	19,546.63
 <u>Administrative:</u>	
Dues and subscriptions	350.00
Professional fees	4,318.60
Office expense	3,954.87
Postage	<u>1,108.29</u>
Total Administrative	9,731.76
 <u>Depreciation:</u>	
Depreciation - water	21,416.33
Depreciation - sewer	<u>14,908.47</u>
Total Depreciation	<u>36,324.80</u>
Total Operating Expenses	<u><u>121,890.41</u></u>

AGREED-UPON PROCEDURES

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

(225) 775-4982

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

September 27, 2004

Honorable Bennie C. Jones, Jr., Mayor
and Board of Alderpersons
Village of Wilson, Louisiana
P. O. Box 40
Wilson, Louisiana 70789

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Village of Wilson, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Wilson's compliance with certain laws and regulations during the year ended June 30, 2004, included in the accompanying Louisiana Attestation Questionnaire. This agree-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$7,500, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RD 38:2211-2251 (the public bid law).

The cash disbursements journal was scanned and expenditures exceeding \$7,500 identified. There were no public works expenditures in excess of \$50,000. For those expenditures to which the public bid law applied, proper procedures were followed.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the legally adopted budget and all amendments.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on July 8, 2003, which indicated that the budget had been adopted by the Board of Alderpersons of the Village of Wilson, Louisiana by a vote of 3 in favor and none opposed. There were no amendments during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues of the general fund fell short of the budget by 16% or \$7,879. Total expenditures exceeded budgeted amounts by 6% or \$3,004.

Expenditures by the special revenue fund exceeded budgeted amounts by \$2,982 or 5%.

Management's Response – The Village's management will review such items that exceed 5% in the future on a more timely basis and make necessary changes.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and,

- (a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were properly coded to the correct fund and general ledger account.

- (c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approval from the accountant and the Mayor. The list of monthly disbursements are noted in the minute book as approved.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RD 42:1 through 42:12 (the open meetings law).

The Village is required to publish the minutes of the Board's meeting which was evidenced both from paid invoices and a copy of the public notice. Meeting notices and agendas are posted at Town Hall at least one day prior to each meeting.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances or gifts.

The payroll records and minutes for the year were examined, and we noted no instances which would indicate payments to employees which would constitute bonuses, advances or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Wilson, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Sincerely,



John D. Butler & Company
A Professional Accounting Corporation

LOUISIANA ATTESTATION QUESTIONNAIRE

Date: 9-14-04

John D. Butler & Company
A Professional Accounting Corporation
P. O. Box 30
Baker, Louisiana 70704-0030

In connection with your compilation of our financial statements as of June 30, 2004 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we made the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 30, 2004.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes (X) No ()

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes (X) No ()

If it is true that no member of the immediate family of any member of the governing authority or the chief executive of the governmental entity has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes (X) No ()

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes (X) No ()

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31 and 44:36.

Yes (X) No ()

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463 and/or 39:92, as applicable.

Yes (X) No ()

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes (X) No ()

Meetings

We have complied with the provisions of the Open Meetings law, provided in RS 42:1 through 42:12.

Yes (X) No ()

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less, to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60-1410.65.

Yes (X) No ()

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes (X) No ()

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Leisha Barrett Secretary 9-14-04 Date

Treasurer _____ Date

x Bonnie C. Jones Jr. President 9-14-04 Date