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VILLAGE OF WILSON, LOUISIANA

BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
SCHEDULES

YEAR ENDED JUNE 30, 2005

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 11-23-05

**VILLAGE OF WILSON, LOUISIANA
 BASIC FINANCIAL STATEMENTS
 WITH SUPPLEMENTAL INFORMATION SCHEDULES
 YEAR ENDED JUNE 30, 2005**

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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 8, 2005

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 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, 2005, which collectively comprise the Village's basic financial statement, 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.

The management's discussion and analysis and budgetary comparison information, on pages 3 through 4 and 34 through 35, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

The supplemental information, as listed in the table of contents, is not a required part of the basic financial statements but is presented for purposes of additional analysis. Such information has been compiled from information that is the representation of management without audit or review. Accordingly, we do not express an opinion or any other form of assurance on this supplemental information.



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, 2005 and 2004 were:

	<u>2005</u>	<u>2004</u>
Invested in capital assets, net of related debt	\$ 1,207,462.80	\$1,276,728.60
Unrestricted	<u>206,400.80</u>	<u>185,165.37</u>
Total Net Assets	<u>1,413,863.60</u>	<u>1,461,893.97</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.

On April 23, 2005, the voters of the Village of Wilson re-elected Bennie Jones, Jr. as Mayor for a four year term beginning July 1, 2005. Also, two of the incumbent Alderpersons were re-elected for the same term. The re-election of the Mayor and a majority of the previous Alderpersons indicate that the voters of the Village of Wilson are pleased with the programs, procedures, and directions as established by the Mayor and the Alderpersons.

We have made several personnel changes in the Police Department and the Maintenance Department. We believe that these changes will contribute to the safety and the security of the citizens of the Village of Wilson.

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

**VILLAGE OF WILSON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005**

GOVERNMENTAL ACTIVITIES

Governmental funds, which includes general government, public safety and streets and sidewalks, reported a decrease in fund balances of \$5,601. Revenues decreased by 23% or \$11,287 primarily due to a decrease in grant funds. In the prior year, the Village had a deficiency of revenues over expenditures of \$6,253 and in the current year the change in fund balance is \$(5,601). The Village held its expenditures at \$113,947. This is a decrease from the prior year of \$5,658 or 5%. The most significant decrease was in the public works department of \$10,069.

The comparison of budgeted revenues to actual amounts for the general fund was negative by \$3,309. The most significant impact was a decrease of \$14,135 in grant proceeds. The expenditures for the general fund were \$1,880 less than anticipated.

Actual revenues of the streets and sidewalks fund were \$60 greater than budgeted amounts. Expenditures, however, were \$696 over that which was budgeted.

The cash on hand at year end was more than the prior year by \$21,652. Certificates of deposit with maturities in excess of 90 days increased by \$966 from interest rollovers. 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 \$31,520. Included in this loss is \$36,034 in depreciation which is a non-cash expense. The operating revenues remand relatively the same, while the operating expenses decreased by 9% or \$10,763. Cash on hand at year end increased by 13% or \$5,958. Certificates of deposit with maturities in excess of 90 days remain intact at \$39,379. Of these investments, \$14,353 is due back to customers in the way of deposits paid. All other assets and liabilities remained consistent with the prior year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village of Wilson was awarded a Community Development Block Grant in the amount of \$486,000. This grant is to repair and to overlay streets in the Village of Wilson. It is estimated that work will begin on this project around September 15, 2005. This project should be completed by December 15, 2005. This project will greatly contribute to improving the quality of life of Wilson residents.

**VILLAGE OF WILSON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005**

On July 16, 2005, the voters of the Parish of East Feliciana approved an additional 1% sales tax. This increase in sales taxes collected is to be divided between the Police Jury and the municipalities of East Feliciana. It is our understanding that the proceeds from this tax are dedicated 10% to General Funds and 90% to Street and Sidewalks Funds. We anticipate that this new revenue stream will result in an increase of 12 ½% in funds available for the 2006 fiscal 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, 2005

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 58,119.31	\$ 52,980.59	\$ 111,099.90
Investments	35,348.70	25,026.58	60,375.28
Receivables, net	7,033.01	36,612.69	43,645.70
Restricted assets			
Investments	-	14,352.68	14,352.68
Capitals assets, net	52,028.13	1,155,434.67	1,207,462.80
Total Assets	152,529.15	1,284,407.21	1,436,936.36
<u>LIABILITIES</u>			
Accounts payable	1,422.88	3,947.64	5,370.52
Deferred revenue	3,349.56	-	3,349.56
Payables from restricted assets			
Customer deposits	-	14,352.68	14,352.68
Total Liabilities	4,772.44	18,300.32	23,072.76
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	52,028.13	1,155,434.67	1,207,462.80
Unrestricted	95,728.58	110,672.22	206,400.80
Total Net Assets	147,756.71	1,266,106.89	1,413,863.60

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

Functions/Programs	Program Revenues			Net Revenues (Expenses)			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 22,744.68	\$ -	\$ 865.00	\$ -	\$ (21,879.68)	\$ -	\$ (21,879.68)
Public safety	40,887.65	24,572.21	-	-	(16,315.44)	-	(16,315.44)
Public works	50,314.35	45,603.53	5,000.00	-	289.18	-	289.18
Total Governmental Activities	113,946.68	70,175.74	5,865.00	-	(37,905.94)	-	(37,905.94)
Business-type Activities							
Water	80,738.77	57,776.84	-	-	-	(22,961.93)	(22,961.93)
Sewer	30,388.54	21,830.93	-	-	-	(8,557.61)	(8,557.61)
Total Business-type Activities	111,127.31	79,607.77	-	-	-	(31,519.54)	(31,519.54)
Total Primary Government	225,073.99	149,783.51	5,865.00	-	(37,905.94)	(31,519.54)	(69,425.48)
General Revenues							
Franchise fees					17,263.65	-	17,263.65
Occupational licenses					9,444.32	-	9,444.32
State revenue sharing					451.00	-	451.00
Investment earnings					633.86	406.10	1,039.96
Other revenues					4,512.32	-	4,512.32
Total General Revenues					32,305.15	406.10	32,711.25
Change in Net Assets					(5,600.79)	(31,113.44)	(36,714.23)
Net Assets, beginning					153,357.50	1,297,220.33	1,450,577.83
Net Assets, ending					147,756.71	1,266,106.89	1,413,863.60

See Accompanying Notes and Accountants' Compilation Report

FUND FINANCIAL STATEMENTS

**VILLAGE OF WILSON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005**

	General	Streets and Sidewalks	Total Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 32,028.29	\$ 26,091.02	\$ 58,119.31
Investments	12,960.06	22,388.64	35,348.70
Receivables, net			
Franchise fees	3,260.28	-	3,260.28
Sales taxes	-	3,556.10	3,556.10
Accrued interest	88.74	127.89	216.63
TOTAL ASSETS	48,337.37	52,163.65	100,501.02
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	1,368.54	54.34	1,422.88
Deferred revenue	3,349.56	-	3,349.56
Total Liabilities	4,718.10	54.34	4,772.44
Fund Balances			
Unreserved	43,619.27	52,109.31	95,728.58
TOTAL LIABILITIES AND FUND BALANCES	48,337.37	52,163.65	100,501.02

VILLAGE OF WILSON, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
JUNE 30, 2005

Total Fund Balances - Total Governmental Funds \$ 95,728.58

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 52,028.13

Total Net Assets - Governmental Activities 147,756.71

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2005

	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
REVENUES			
Sales taxes	\$ -	\$ 45,603.53	\$ 45,603.53
Franchise fees	17,263.65	-	17,263.65
Occupational licenses	9,444.32	-	9,444.32
Fines	24,572.21	-	24,572.21
State revenue sharing	451.00	-	451.00
Rebates	3,857.41	-	3,857.41
Grant proceeds	865.00	-	865.00
Investment earnings	177.48	456.38	633.86
Other revenues	12,714.91	5,000.00	17,714.91
	<hr/>		
Total Revenues	69,345.98	51,059.91	120,405.89
EXPENDITURES			
General government	21,626.78	-	21,626.78
Public safety			
Police	33,533.21	-	33,533.21
Fire	17.76	-	17.76
Public works	-	48,913.12	48,913.12
	<hr/>		
Total Expenditures	55,177.75	48,913.12	104,090.87
	<hr/>		
Change in Fund Balances	14,168.23	2,146.79	16,315.02
	<hr/>		
Fund Balances, beginning	29,451.04	49,962.52	79,413.56
	<hr/>		
Fund Balances, ending	43,619.27	52,109.31	95,728.58
	<hr/> <hr/>		

See Accompanying Notes and Accountants' Compilation 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, 2005**

Net Change in Fund Balances - Total Governmental Funds \$ 16,315.02

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. (7,921.13)

Proceeds from the sale or disposal of capital assets is
recognized as revenues in governmental funds. However,
in the Statement of Activities, only the gain or loss is
recognized. (13,994.68)

Change in Net Assets - Governmental Activities (5,600.79)

**VILLAGE OF WILSON, LOUISIANA
BALANCE SHEET
PROPRIETARY FUNDS
JUNE 30, 2005**

<u>ASSETS</u>	<u>Business-type Activities</u>
	<u>Enterprise Funds</u> <u>Water and Sewer</u>
Current Assets	
Cash and cash equivalents	\$ 52,980.59
Accounts receivable, net	32,306.87
Unbilled receivables	4,074.35
Accrued interest receivable	231.47
	89,593.28
Total Current Assets	89,593.28
Restricted Assets	
Investments	14,352.68
Non-Current Assets	
Investments	25,026.58
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	(392,675.49)
	1,180,461.25
Total Non-Current Assets	1,180,461.25
TOTAL ASSETS	1,284,407.21

Continued

VILLAGE OF WILSON, LOUISIANA
BALANCE SHEET (Continued)
PROPRIETARY FUNDS
JUNE 30, 2005

	<u>Business-type Activities</u>
	<u>Enterprise Funds</u>
	<u>Water and Sewer</u>
<u>LIABILITIES</u>	
Current Liabilities	
Accounts payable	\$ 3,947.64
Non-Current Liabilities	
Payables from restricted assets	
Customer deposits	<u>14,352.68</u>
Total Liabilities	18,300.32
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	1,155,434.67
Unrestricted	<u>110,672.22</u>
Total Net Assets	<u>1,266,106.89</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>1,284,407.21</u></u>

**VILLAGE OF WILSON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2005**

	<u>Business-type Activities</u> <u>Enterprise Funds</u> <u>Water and Sewer</u>
OPERATING REVENUES	
Water sales and service	\$ 57,776.84
Sewer sales and service	<u>21,830.93</u>
Total Operating Revenues	79,607.77
OPERATING EXPENSES	
Personal services	12,947.23
Employee and related expenses	37,905.69
Occupancy	14,772.96
Administrative	9,467.58
Depreciation	<u>36,033.85</u>
Total Operating Expenses	<u>111,127.31</u>
Operating Loss	(31,519.54)
NON-OPERATING REVENUES (EXPENSES)	
Investment earnings	<u>406.10</u>
Change in Net Assets	(31,113.44)
Total Net Assets, beginning	<u>1,297,220.33</u>
Total Net Assets, ending	<u><u>1,266,106.89</u></u>

See Accompanying Notes and Accountants' Compilation Report

**VILLAGE OF WILSON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2005**

	<u>Business-type Activities</u> <u>Enterprise Funds</u> <u>Water and Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 80,340.50
Cash paid to employees for services	(37,905.69)
Cash paid to suppliers for goods and services	<u>(36,476.78)</u>
Net Cash Provided by Operating Activities	5,958.03
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	317.54
Interest reinvested	<u>(317.54)</u>
Net Cash Provided by Investing Activities	<u>-</u>
Net Increase in Cash and Cash Equivalents	5,958.03
Cash and Cash Equivalents, Beginning of Year	<u>47,022.56</u>
Cash and Cash Equivalents, End of Year	<u><u>52,980.59</u></u>

Continued

VILLAGE OF WILSON, LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2005

	<u>Business-type Activities</u> <u>Enterprise Funds</u> <u>Water and Sewer</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	\$ (31,519.54)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	36,033.85
(Increase) decrease in assets:	
Accounts receivable	776.83
Increase (decrease) in liabilities:	
Accounts payable	710.99
Customer deposits	(44.10)
Total adjustments	<u>37,477.57</u>
Net Cash Provided by Operating Activities	<u><u>5,958.03</u></u>

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF WILSON, LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

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 295 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, 2005

Government-Wide Accounting: In accordance with Government Accounting Standards Boards 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, 2005

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/Non-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, 2005

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.

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.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

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.

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

Receivables: Receivables are recorded net of any allowance for uncollectible amounts in both governmental and business-type activities. Revenues become susceptible to accrual when they become both 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. Components of these assets are as follows:

	Customer <u>Deposits</u>
Certificates of Deposit	\$ <u>14,352.68</u>

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

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, 2005, 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, 2005

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

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, 2005.

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.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

A summary of cash and cash equivalents (book balances) at June 30, 2005, is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Petty cash	\$ 20.00	\$ 20.00
Demand deposits	58,099.31	43,886.92
Interest-bearing demand deposits	<u>0.00</u>	<u>9,072.67</u>
Total	<u>58,119.31</u>	<u>52,980.59</u>

NOTE 3 – INVESTMENTS

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity or are held either by the counter-party or the counter-party's trust department or agent by not in the entity's name. Investments of the Village are certificates of deposit held by the counter-party in the Village's name. They are secured from risk by \$100,000 of federal deposit insurance and \$200,000 of pledged securities held by Feliciana Bank & Trust Co.

A summary of these investment are as follows at June 30, 2005:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Certificates of Deposit	\$ <u>74,727.96</u>	\$ <u>74,727.96</u>	\$ <u>.00</u>

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 4 – RECEIVABLES

The following is a summary of receivables at June 30, 2005:

<u>Class</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Enterprise</u> <u>Funds</u>	<u>Total</u>
Accounts	\$.00	\$.00	\$ 36,381.22	\$ 36,381.22
Accrued interest	88.74	127.89	231.47	448.10
Taxes:				
Franchise	3,260.28	.00	.00	3,260.28
Sales	.00	3,556.10	.00	3,556.10
Total	<u>3,349.02</u>	<u>3,683.99</u>	<u>36,612.69</u>	<u>43,645.70</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, included in the above totals, was \$4,074.35.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retire-</u> <u>ments</u>	<u>Ending</u> <u>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>14,483.03</u>	<u>878.02</u>	<u>.00</u>	<u>15,361.05</u>
Net Buildings and improvements	20,637.86	878.02	.00	19,759.84
Equipment	77,499.48	.00	.00	77,499.48
Less: accumulated depreciation	<u>70,866.81</u>	<u>1,957.64</u>	<u>.00</u>	<u>72,824.45</u>
Net Equipment	6,632.67	1,957.64	.00	4,675.03
Office furniture	4,342.97	.00	.00	4,342.97
Less: accumulated depreciation	<u>2,778.87</u>	<u>583.62</u>	<u>.00</u>	<u>3,362.49</u>
Net Office furniture	1,564.10	583.62	.00	980.48

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

	Beginning Balance	Additions	Retire- ments	Ending Balance
Vehicles	\$ 78,143.05	\$.00	\$ 23,765.10	\$ 54,377.95
Less: accumulated depreciation	49,039.33	4,501.85	9,770.42	43,770.76
Net Vehicles	<u>29,103.72</u>	<u>4,501.85</u>	<u>13,994.68</u>	<u>10,607.19</u>
 Total Capital Assets, being depreciated, net	 <u>57,938.35</u>	 <u>(7,921.13)</u>	 <u>(13,994.68)</u>	 <u>36,022.54</u>
 Capital Assets, net	 <u>73,943.94</u>	 <u>*(7,921.13)</u>	 <u>(13,994.68)</u>	 <u>52,028.13</u>
 Business-type Activities				
Capital Assets, being depreciated				
Building and improvements	13,580.00	.00	.00	13,580.00
Less: accumulated depreciation	<u>12,222.00</u>	<u>1,358.00</u>	<u>.00</u>	<u>13,580.00</u>
Net Building and improvements	1,358.00	1,358.00	.00	.00
 Water system	 781,365.66	 .00	 .00	 781,365.66
Less: accumulated depreciation	<u>203,068.67</u>	<u>19,658.49</u>	<u>.00</u>	<u>222,727.16</u>
Net Water system	578,296.99	19,658.49	.00	558,638.50
 Sewer system	 745,423.33	 .00	 .00	 745,423.33
Less: accumulated depreciation	<u>134,176.23</u>	<u>14,908.47</u>	<u>.00</u>	<u>149,084.70</u>
Net Sewer system	611,247.10	14,908.47	.00	596,338.63
 Equipment	 5,199.88	 .00	 .00	 5,199.88
Less: accumulated depreciation	<u>5,199.88</u>	<u>.00</u>	<u>.00</u>	<u>5,199.88</u>
Net Equipment	.00	.00	.00	.00
 Office furniture	 2,541.29	 .00	 .00	 2,541.29
Less: accumulated depreciation	<u>1,974.86</u>	<u>108.90</u>	<u>.00</u>	<u>2,083.76</u>
Net Office furniture	<u>566.43</u>	<u>108.90</u>	<u>.00</u>	<u>457.53</u>
 Total Capital Assets, being depreciated, net	 <u>1,191,468.52</u>	 <u>(36,033.85)</u>	 <u>.00</u>	 <u>1,155,434.67</u>
 Capital Assets, net	 <u>1,191,468.52</u>	 <u>(36,033.85)</u>	 <u>.00</u>	 <u>1,155,434.67</u>

* Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,117.90
Public safety	5,402.00
Public works	<u>1,401.23</u>
 Total Depreciation Expense	 <u>7,921.13</u>

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 6 – RETIREMENT SYSTEM

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, 2005:

	General Fund	Special Revenue Fund	Enterprise Funds	Total
Accounts (including withholdings)	\$ 1,368.54	\$ 54.34	\$ 3,947.64	\$ 5,370.52
Customer deposits	<u>.00</u>	<u>.00</u>	<u>14,352.68</u>	<u>14,352.68</u>
Total	<u>1,368.54</u>	<u>54.34</u>	<u>18,300.32</u>	<u>19,723.20</u>

NOTE 8 – DEFERRED REVENUE

Deferred revenue is as follows at June 30, 2005:

Occupational licenses	\$ <u>3,349.56</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 7/1/05 to 12/31/05 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, 2005, is as follows:

Condensed Statement of Net Assets

Current assets	\$ 89,593.28
Restricted assets	14,352.68
Non-current assets	25,026.58
Capital assets, net	<u>1,155,434.67</u>
Total Assets	1,284,407.21
Current liabilities	3,947.64
Long-term liabilities	<u>14,352.68</u>
Total Liabilities	<u>18,300.32</u>
Invested in capital assets, net	1,155,434.67
Unrestricted	<u>110,672.22</u>
Total Net Assets	<u>1,266,106.89</u>

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Condensed Statement of Revenues, Expenses and Changes in Net Assets

Operating Revenues:	
Water sales and service	\$ 57,776.84
Sewer sales and service	<u>21,830.93</u>
Total Operating Revenues	79,607.77
Operating expenses	75,093.46
Depreciation	<u>36,033.85</u>
Operating loss	(31,519.54)
Non-operating revenue	<u>406.10</u>
Change in Net Assets	<u>(31,113.44)</u>

Condensed Statement of Cash Flows

Net cash used for:	
Operating activities	5,958.03
Non-capital financing activities	.00
Capital and related financing activities	.00
Investing activities	<u>.00</u>
Net increase in cash and cash equivalents	5,958.03
Cash and cash equivalents, beginning of year	<u>47,022.56</u>
Cash and cash equivalents, end of year	<u>52,980.59</u>

NOTE 10 – 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.

VILLAGE OF WILSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 11 – RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

NOTE 12 – LITIGATION

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

NOTE 13 – STATEMENT OF CASH FLOWS FOR PROPRIETARY FUNDS

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

	<u>Unrestricted</u>
Water	\$ 38,559.10
Sewer	<u>14,421.49</u>
Total	<u>52,980.59</u>

NOTE 14 – SUBSEQUENT EVENTS

There have been no transactions or events subsequent to June 30, 2005, 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, 2005**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Franchise fees	\$ 16,800.00	\$ 16,800.00	\$ 17,263.65	\$ 463.65
Occupational licenses	7,300.00	7,300.00	9,444.32	2,144.32
Fines	18,000.00	18,000.00	24,572.21	6,572.21
State revenue sharing	1,400.00	1,400.00	451.00	(949.00)
Rebate	5,400.00	5,400.00	3,857.41	(1,542.59)
Grant proceeds	15,000.00	15,000.00	865.00	(14,135.00)
Investment earnings	755.00	755.00	177.48	(577.52)
Other revenues	8,000.00	8,000.00	12,714.91	4,714.91
Total Revenues	72,655.00	72,655.00	69,345.98	(3,309.02)
EXPENDITURES				
General government	20,150.00	20,150.00	21,626.78	(1,476.78)
Public safety:				
Police	31,508.00	31,508.00	33,533.21	(2,025.21)
Fire	5,400.00	5,400.00	17.76	5,382.24
Total Expenditures	57,058.00	57,058.00	55,177.75	1,880.25
Change in Fund Balances	15,597.00	15,597.00	14,168.23	(1,428.77)
Fund Balances, beginning	29,451.04	29,451.04	29,451.04	-
Fund Balances, ending	<u>45,048.04</u>	<u>45,048.04</u>	<u>43,619.27</u>	<u>(1,428.77)</u>

**VILLAGE OF WILSON, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2005**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales tax	\$ 51,000.00	\$ 51,000.00	\$ 45,603.53	\$ (5,396.47)
Investment earnings	-	-	456.38	456.38
Other revenues	-	-	5,000.00	5,000.00
 Total Revenues	 51,000.00	 51,000.00	 51,059.91	 59.91
EXPENDITURES				
Public works	48,217.00	48,217.00	48,913.12	(696.12)
Change in Fund Balances	2,783.00	2,783.00	2,146.79	(636.21)
Fund Balances, beginning	49,962.52	49,962.52	49,962.52	-
Fund Balances, ending	52,745.52	52,745.52	52,109.31	(636.21)

SUPPLEMENTAL INFORMATION

VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
YEAR ENDED JUNE 30, 2005

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.	\$ 12,360.00
Aldерwoman Marilyn Broadway	1,599.48
Aldерwoman Harriett Sensley	1,599.48
Aldерwoman Eunice Smiley	<u>1,599.48</u>
Total	<u>17,158.44</u>

See Accountants' Compilation Report

VILLAGE OF WILSON, LOUISIANA
SCHEDULE OF OPERATING EXPENSES
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2005

<u>Personal Services:</u>	
Repairs	\$ 2,063.50
Other taxes and licenses	1,539.28
Sewer testing fees	1,381.50
Chemicals and supplies	<u>7,962.95</u>
 Total Personal Services	 12,947.23
 <u>Employee and Related Expenses:</u>	
Insurance	6,181.10
Salaries and labor	28,029.86
Payroll taxes	3,358.73
Training and seminars	<u>336.00</u>
 Total Employee and Related Expenses	 37,905.69
 <u>Occupancy:</u>	
Insurance	3,328.29
Utilities and telephone	<u>11,444.67</u>
 Total Occupancy	 14,772.96
 <u>Administrative:</u>	
Dues and subscriptions	230.00
Professional fees	4,474.27
Office expense	3,074.14
Postage	1,234.37
Advertising	<u>454.80</u>
 Total Administrative	 9,467.58
 <u>Depreciation:</u>	
Depreciation - water	21,125.38
Depreciation - sewer	<u>14,908.47</u>
 Total Depreciation	 <u>36,033.85</u>
 Total Operating Expenses	 <u><u>111,127.31</u></u>