

VILLAGE OF RICHMOND, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE 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

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VILLAGE OF RICHMOND, LOUISIANA
TABLE OF CONTENTS

	Exhibit	Page No.
Accountant's Compilation Report		3
Required Supplemental Information (Part I)		
Management's Discussion and Analysis		5-6
Basic Financial Statements		
Government-Wide Financial Statements:		
Statement of Net Assets	A	8
Statement of Activities	B	9
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	10
Reconciliation of the Governmental Funds Balance Sheet to The Financial Statement of Net Assets	D	11
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	12
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, And Changes in Fund Balances to the Statement of Activities	F	13
Notes to the Financial Statements		15-21
	<u>Schedule</u>	<u>Page No.</u>
Required Supplemental Information (Part II):		
Budget Comparison Schedules		
General Fund	1	23
Special Revenue - Sales Tax	2	24
Debt Service Fund	3	25
Capital Projects Fund	4	26

VILLAGE OF RICHMOND, LOUISIANA
TABLE OF CONTENTS

Other Supplemental Information (Part III)

	<u>Schedule</u>	<u>Page No.</u>
Schedule of Compensation Paid to Governing Members	5	28
Independent Accountant's Report On Applying Agreed-Upon Procedures		29-32
Louisiana Attestation Questionnaire		33-34

David Q. Richardson
Certified Public Accountant
P.O. Box 891
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318-574-0514

Accountant's Compilation Report

Honorable Mayor and Members of
the Board of Alderman
Village of Richmond, Louisiana

I have compiled the accompanying combined financial statements of the Village of Richmond, Louisiana as of and for the year ended June 30, 2004, and the related supplementary information as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

In accordance with the terms of my engagement, I have also issued a report on agreed-upon procedures dated August 27, 2004.

Tallulah, Louisiana
August 27, 2004



REQUIRED SUPPLEMENTAL INFORMATION

PART I

VILLAGE OF RICHMOND

589 WOOD STREET
RICHMOND, LOUISIANA 71282

TELEPHONE (318) 574-2913
FAX (318) 574-2919

ROBERT KIVETT, SR.
MAYOR

GEN ELLIS
CITY CLERK

JIMMY LOPEZ
CHIEF OF POLICE

J.M. (MIKE) CUMMINS
COUNCILMAN

OLGA BUTLER
COUNCILMAN

DONNIE REMORE
COUNCILMAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of The Village of Richmond, Louisiana's financial performance provides as an overview of the Village's financial activities for the year ended June 30, 2004. Please read it in conjunction with the Village's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

The Village's net assets increased \$ 46,899.00, as a result of this year's operations. This increase was almost entirely in cash and investments.

During the year, the Village had total expenses of \$ 267,982.43. Included in the total expenses was \$51,400.00 for street repair and approximately \$27,000.00 for repairs of the sewer system.

The Village only has one long term debt, this is a Public Improvement Bond that was issued in 1989 for \$200,000.00. At the end of the current year the balance was \$94,000.00. The last payment on the bond will be in 2010.

Total revenue for the Village for the current year was \$314,881.43. This was up from \$277,662.94 in the previous year. All of this increase was in sales tax and video poker revenues. This can be attributed to the addition of Love's Travel Stop locating in the Village.

Total expenditures were \$279,982.43, or \$27,909.28 higher than the prior year. The increase in expenditures was the result of street and sewer repairs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and The Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 10. For governmental activities, these statements tell you how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Reporting the Village as a Whole

One of the most important questions asked about the Village's finances is "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and The Statement of Activities report about the Village as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Page Two

These two statements report the Village's *net assets* and changes in them. You can think of the Village's net assets—the difference between assets and liabilities—as one way to measure the Village's financial health, or *financial position*. Over time, *increases or decreases* in the Village's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Village's property tax base and the condition of the Village's roads, to assess the *overall health* of the Village.

Reporting the Village's Most Significant Funds

The fund financial statements begin on page 10 and provide detailed information about the most significant funds—not the Village as a whole. Some funds are required to be established by State law and by bond covenants. However, the Village Council establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Financial Overview

The Village had an increase in net assets of \$46,899.00 for the year ended June 30, 2004. This is 15% of total revenues and increases the cash and investments amounts to \$749,618.59. This is enough reserve to run the Village for two and one-half years. This has been accomplished while maintaining the roads and sewer facilities very well. Management always tries to provide the best possible services for the residents of the Village of Richmond in the most economic way possible.

CONTACTING THE VILLAGE'S MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact the Village's Office at 602 Wood Street, Richmond, Louisiana 71282.

BASIC FINANCIAL STATEMENTS

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

	Governmental	Business-Type	Total
Assets			
Cash and cash equivalent	\$ 198,006.98	\$ 8,021.56	\$ 206,028.54
Investments	501,772.50	-	501,772.50
Accounts receivable	21,265.88	-	21,265.88
Interest receivable	832.20	24.53	856.73
Restricted assets	-	41,817.55	41,817.55
Other assets	75.00	-	75.00
Capital assets	457,322.66	278,676.05	735,998.71
Total Assets	1,179,275.22	328,539.69	1,507,814.91
Liabilities			
Accounts payable	14,417.25	-	14,417.25
Payroll taxes payable	1,171.20	-	1,171.20
Bonds payable	-	94,000.00	94,000.00
Total Liabilities	15,588.45	94,000.00	109,588.45
Net Assets	1,163,686.77	234,539.69	1,398,226.46
Invested in capital assets, not of related debt	457,322.66	278,676.05	735,998.71
Restricted for debt services	-	41,817.55	41,817.55
Unrestricted	706,364.11	(85,953.91)	620,410.20
Total Net Assets	\$1,163,686.77	\$ 234,539.69	\$ 1,398,226.46

See Accountant's Compilation Report and accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

Functions/Programs	Program Revenue		Net Revenue Expenses		
	Expenses	Chgs. for Service	Government Activities	Business-Type Activities	Total
Governmental Activities:					
General government	\$ 132,427.53	\$ -	\$ (132,427.53)	\$ -	\$ (132,427.53)
Public safety	31,079.51	11,385.07	(19,694.44)	-	(19,694.44)
Public works	54,350.29	-	(54,350.29)	-	(54,350.29)
Total Government Activities	217,857.33	11,385.07	(206,472.26)	-	(206,472.26)
Business Type Activities:					
Sewer	50,125.10	13,027.50	-	(37,097.60)	(37,097.60)
Total Primary Government	<u>\$ 267,982.43</u>	<u>\$ 24,412.57</u>	<u>(206,472.26)</u>	<u>(37,097.60)</u>	<u>(243,569.86)</u>
General Revenues:					
Sales tax			232,287.27	-	232,287.27
Property taxes			19,777.44	-	19,777.44
Franchise taxes			3,966.94	-	3,966.94
Occupational license			13,176.66	-	13,176.66
Building rent			12,247.08	-	12,247.08
Interest income			8,187.03	-	8,187.03
Other revenue			826.44	-	826.44
Total General Revenues			<u>290,468.86</u>	<u>-</u>	<u>290,468.86</u>
Change in Net Assets			83,996.60	(37,097.60)	46,899.00
Net Assets, beginning			<u>1,087,736.26</u>	<u>271,637.29</u>	<u>1,359,373.55</u>
Net Assets, ending			<u>\$ 1,171,732.86</u>	<u>\$ 234,539.69</u>	<u>\$ 1,406,272.55</u>

See Accountant's Compilation Report and accompanying notes to financial statement.

VILLAGE OF RICHMOND, LOUISIANA
BALANCE SHEET
JUNE 30, 2004

ASSETS

	Government Fund Types				Total Governmental Funds
	General	Special Revenue	Debt Service	Capital Projects Fund	
ASSETS					
Cash & cash equivalents	\$ 19,273.76	\$ 177,267.98	\$ 8,021.56	\$ 1,465.24	\$ 206,028.54
Investments	-	501,772.50	-	-	501,772.50
Accounts receivable	476.26	20,789.62	-	-	21,265.88
Interest receivable	-	832.20	24.53	-	856.73
Restricted assets	-	-	41,817.55	-	41,817.55
Other assets	75.00	-	-	-	75.00
Total Assets	<u>19,825.02</u>	<u>700,662.30</u>	<u>49,863.64</u>	<u>1,465.24</u>	<u>771,816.20</u>

LIABILITIES AND FUND EQUITY

LIABILITIES					
Accounts payable	8,244.43	6,172.82	-	-	14,417.25
Payroll tax payable	1,171.20	-	-	-	1,171.20
Total Liabilities	<u>9,415.63</u>	<u>6,172.82</u>	<u>-</u>	<u>-</u>	<u>15,588.45</u>
FUND BALANCES					
Reserved for debt service	-	-	49,863.64	-	49,863.64
Unreserved	10,409.39	694,489.48	-	1,465.24	706,364.11
Total Fund Equity	<u>10,409.39</u>	<u>694,489.48</u>	<u>49,863.64</u>	<u>1,465.24</u>	<u>756,227.75</u>
Total Liabilities & Fund Equity	<u>\$ 19,825.02</u>	<u>\$ 700,662.30</u>	<u>\$ 49,863.64</u>	<u>\$ 1,465.24</u>	<u>\$ 771,816.20</u>

See Accountant's Compilation Report and accompanying notes to financial statements.

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

Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Fund Balances, Total Governmental Funds (Exhibit C)	\$ 756,227.75
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	735,998.71
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds. - Bonds payable	<u>(94,000.00)</u>
Net Assets of Governmental Activities (Exhibit A)	<u>\$ 1,398,226.46</u>

See Accountant's Compilation Report and accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Revenue					
Taxes:					
Property	\$ 19,777.44	-	-	-	\$ 19,777.44
Sales	-	232,287.27	-	-	232,287.27
Fire protection	10,361.07	-	-	-	10,361.07
Franchise	3,966.94	-	-	-	3,966.94
Other licenses, permits, fines, etc.	27,843.16	-	-	-	27,843.16
Rent	12,247.08	-	-	-	12,247.08
Interest	258.22	7,029.69	891.71	7.41	8,187.03
Other revenue	211.44	-	-	-	211.44
Total revenue	<u>74,665.35</u>	<u>239,316.96</u>	<u>891.71</u>	<u>7.41</u>	<u>314,881.43</u>
Expenditures					
Current:					
General government	166,113.41	91,484.62	-	2,646.40	260,244.43
Debt Service:					
Principal retirement	-	-	12,000.00	-	12,000.00
Interest & finance charges	-	-	7,738.00	-	7,738.00
Total expenditures	<u>166,113.41</u>	<u>91,484.62</u>	<u>19,738.00</u>	<u>2,646.40</u>	<u>279,982.43</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(91,448.06)</u>	<u>147,832.34</u>	<u>(18,846.29)</u>	<u>(2,638.99)</u>	<u>34,899.00</u>
Other Financing Sources (Uses)					
Transfers in	72,928.45	-	19,768.98	-	92,697.43
Transfers out	-	(92,697.43)	-	-	(92,697.43)
Total other financing sources (uses)	<u>72,928.45</u>	<u>(92,697.43)</u>	<u>19,768.98</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(18,519.61)</u>	<u>55,134.91</u>	<u>922.69</u>	<u>(2,638.99)</u>	<u>34,899.00</u>
Fund Balance - Beginning	<u>28,929.00</u>	<u>639,354.57</u>	<u>48,940.95</u>	<u>4,104.23</u>	<u>721,328.75</u>
Fund Balance - Ending	<u>\$ 10,409.39</u>	<u>\$694,489.48</u>	<u>\$ 49,863.64</u>	<u>\$ 1,465.24</u>	<u>\$756,227.75</u>

See Accountant's Compilation Report and accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, (Exhibit E)	\$ 34,899.00
Repayment of the principal of long-term bonds payable consumes the current financial resources of governmental funds, but has no effect on net assets.	<u>12,000.00</u>
Change in Net Assets of Governmental Activities, (Exhibit B)	<u>\$ 46,899.00</u>

See Accountant's Compilation Report and accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

VILLAGE OF RICHMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

INTRODUCTION

The Village of Richmond, Louisiana (hereafter referred to as the Village) was created under the provisions of the Lawrason Act, Louisiana Revised Statute 33:321, August 28, 1973. Therefore, it operates under a Mayor-Board of Alderman form of government.

The Mayor and three Alderpersons are elected at large every four years by the citizens of the Village. The Mayor is compensated for his services, but the Alderpersons are not compensated.

The purpose of the municipality is to promote the general welfare, safety, health, peace, good order, comfort, convenience, and morals of its inhabitants.

The Village is situated in the northwest part of Madison Parish with a population of 604 persons. Within the boundaries are approximately 16 miles of roads maintained by the Village. It is currently servicing 168 sewer customers and employs 6 people.

GASB Statement No.14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No.14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Village does not have oversight of any other component units, therefore, no other government unit is included in the Village's financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a

VILLAGE OF RICHMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. Government-Wide and Fund Financial Statements (cont.)

specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as claims and judgements, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

VILLAGE OF RICHMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont.)

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for the sales tax revenues and expenditures thereof.

The Debt Service Fund accounts for all financial transactions on the bonds payable.

The Capital Projects Fund accounts for grants designated for capital projects.

C. Cash and Cash Equivalents:

Cash includes amounts in demand deposits. 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 principle offices in Louisiana. Certificates of deposits are classified as investments if their maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

D. Investments

Investments are limited by Louisiana Revised Statute 33:2955. 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 local banks and the fair value is determined by the face value of the certificate.

E. Restricted Assets

Certain resources set aside for repayment of bonds are classified as restricted assets on the general purpose financial statements because their use is limited by applicable bond covenants.

VILLAGE OF RICHMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

F. Property Taxes

Ad valorem taxes were levied for 2003 at seven mills. These taxes, which attach as enforceable liens on property as of January 1, are levied in October, become due on receipt and until December 31, 2003, and become delinquent on January 1 of the following year. The taxes are generally collected in December of the current year and January and February of the following year.

G. Compensated Absences

The Village of Richmond has six employees. Employees only participate in the social security retirement system. The Village has no formal vacation policy. However, employees were given one or two weeks vacation by the Board of Aldermen for the year ended June 30, 2004. No vacation accrual was recorded since the Village has no liability to provide a vacation for employees.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. The estimates are the responsibility of management. Actual results can differ from those estimated.

I. Retirement Plan

The Village does not participate in any retirement fund, therefore all employees are covered by the social security administration.

Note 2 - CASH AND CASH EQUIVALENTS

At June 30, 2004, the Village had cash and cash equivalents totaling \$247,846.09 as follows:

Demand deposits	\$ -
Interest bearing demand deposits	247,846.09
Total	<u>\$ 247,846.09</u>

VILLAGE OF RICHMOND, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2004

Note 2 - CASH AND CASH EQUIVALENTS (cont.)

These deposits are stated at cost, which approximates market. Under state law, these deposits 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 the 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 accepted to both parties.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana 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 by the district attorney that the fiscal agent has failed to pay deposited funds upon demand.

As of June 30, 2004, the book balance of the Village's deposit was \$247,846.09, and the bank balance was \$248,379.92. Of the bank balance, \$101,465.24 was covered by federal depository insurance, and \$146,914.68 by pledged securities.

Note 3 - INVESTMENTS

At June 30, 2004, the Village has investments totaling \$ 501,772.50, all of which were certificates of deposit. The investments were as follows:

	Carrying Amount	Market Value
Guaranty Bank and Trust Certificate of Deposit	\$ 100,567.12	\$ 100,567.12
Guaranty Bank and Trust Certificate of Deposit	111,701.82	111,701.82
Hibernia National Bank Certificate of Deposit	151,534.95	151,534.95
Hibernia National Bank Certificate of Deposit	137,968.61	137,968.61
Total	\$ 501,772.50	\$ 501,772.50

Of the \$501,772.50 of certificates of deposit, \$98,534.76 was secured from risk by federal deposit insurance and \$403,237.74 by pledged securities.

VILLAGE OF RICHMOND, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2004

Note 4 - FIXED ASSETS

There were no changes in general fixed assets in the current year.

	Balance <u>July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2004</u>
Sewage plant & improvements	\$ 278,676.05	\$ -	\$ -	\$ 278,676.05
Buildings & improvements	173,869.39	-	-	173,869.39
Equipment	93,488.27	-	-	93,488.27
Streets & improvements	167,965.00	-	-	167,965.00
Donated property	22,000.00	-	-	22,000.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 735,998.71</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 735,998.71</u>

Note 5 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

During 1990, the Village issued a \$200,000 Public Improvement Bond. The bond was issued for the purpose of paying the costs of constructing, acquiring, extending, and improving streets, roads, bridges, sewers and sewage disposal works, drainage facilities, waterworks facilities, fire protection facilities, public buildings, and acquiring the necessary land, equipment, and furnishings for the aforesaid public works, improvements, and facilities. Maturities are from October 1, 1990, to April 1, 2010, and have interest rates from 10 percent to 7.1 percent. This bond will be payable from and secured by the proceeds of a 2 percent sales and use tax.

The \$200,000 Public Improvement Bond Ordinance established the following funds of the Village for deposit and application of revenues of the system.

A. Special Revenue Fund - Sales Tax Fund

The Village will pay into the Fund all proceeds of the sales tax. Out of the funds on deposit in the Sales Tax Fund, the Village shall first pay all reasonable and necessary costs and expenses of collecting and administering the sales tax. After payment of such costs and expenses, 10 percent of the net proceeds of the sales tax can be used for any lawful purpose. Proceeds can also be used to make a required transfer to the Sales Tax Sinking Fund each month to cover principal and interest payments on outstanding bonds. Any surplus funds remaining after the above transactions may be used for any purposes for which the imposition of the taxes are authorized or for the purpose of retiring outstanding bonds.

VILLAGE OF RICHMOND, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2004

Note 5 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (cont.)

B. Debt Service Fund - Sales Tax Sinking Fund

Not later than the twentieth day of each month, commencing on April 20, 1990, the Village shall transfer a sum equal to one-sixth of the interest falling due on the next interest payment date and sum equal to one-twelfth of the principal falling due on the next principal date. The Village shall transfer from the Sinking Fund to the paying agent bank, at least five business days in advance of the date on which payment of principal or interest fall due, funds sufficient to cover these amounts.

C. Debt Service Fund - Reserve Fund

Upon the delivery of the bonds, there shall be deposited into this fund an amount equal to the Reserve Fund Requirement. These monies are to prevent a default in the payment of principal and interest on the bonds.

The bond is due, in total years, by years as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004-2005	\$ 13,000.00	\$ 6,862.00	\$ 19,862.00
2005-2006	14,000.00	5,913.00	19,913.00
2006-2007	15,000.00	4,891.00	19,891.00
2007-2008	16,000.00	3,796.00	19,796.00
2008-2009	17,000.00	2,628.00	19,628.00
2009-2010	19,000.00	1,387.00	20,387.00
Total	<u>\$ 94,000.00</u>	<u>\$ 25,477.00</u>	<u>\$ 119,477.00</u>

The following is a summary of general long-term debt of the Village for the year ended June 30, 2004.

	1989 Public Improvement <u>Bond</u>
Balance - beginning of year	\$ 106,000.00
Additions	-
Reductions	12,000.00
Balance - end of year	<u>\$ 94,000.00</u>

Note 6 - COMPENSATION PAID TO MAYOR AND ALDERMEN

There was no compensation paid to any Aldermen during the period. The Mayor was paid a salary totaling \$9,564.00, for the period.

Note 7 - LITIGATION AND CLAIMS

The Village of Richmond is not involved in any litigation or aware of any claims at June 30, 2004.

REQUIRED SUPPLEMENTAL INFORMATION

PART II

VILLAGE OF RICHMOND, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 25,000.00	\$ 20,000.00	\$ 19,777.44	\$ (222.56)
Fire protection	12,500.00	10,500.00	10,361.07	(138.93)
Franchise taxes	28,000.00	4,500.00	3,966.94	(533.06)
Occupational licenses	15,000.00	13,000.00	13,176.66	176.66
Building permits	900.00	650.00	615.00	(35.00)
Traffic fines	900.00	750.00	1,024.00	274.00
Sewer fees	13,800.00	12,500.00	13,027.50	527.50
Civic Center rent	9,000.00	11,000.00	12,247.08	1,247.08
Interest	500.00	250.00	258.22	8.22
Miscellaneous	-	750.00	211.44	(538.56)
Total Revenues	<u>105,600.00</u>	<u>73,900.00</u>	<u>74,665.35</u>	<u>765.35</u>
EXPENDITURES				
Current - General Government				
Salaries	62,000.00	62,500.00	61,536.23	963.77
E-911 expenses	4,500.00	7,900.00	7,875.00	25.00
Contract labor	1,400.00	1,750.00	2,119.00	(369.00)
Advertising	1,100.00	1,200.00	1,089.00	111.00
Bank, bond, & court fees	825.00	400.00	521.65	(121.65)
Fire protection services	6,000.00	6,000.00	6,000.00	-
Fuel & oil	3,800.00	4,400.00	4,932.19	(532.19)
Insurance	1,700.00	6,500.00	3,781.00	2,719.00
Legal & accounting	5,000.00	4,000.00	3,600.00	400.00
Office expense	6,500.00	5,000.00	5,519.64	(519.64)
Postage	500.00	600.00	507.92	92.08
Recreation	500.00	-	-	-
Repairs & maintenance	38,000.00	25,000.00	31,944.98	(6,944.98)
Supplies- police	2,500.00	1,300.00	1,173.11	126.89
Payroll taxes	6,800.00	12,000.00	5,117.48	6,882.52
Telephone	6,000.00	4,000.00	3,954.50	45.50
Travel	500.00	250.00	-	250.00
Dues & subscriptions	1,000.00	1,100.00	1,080.25	19.75
Utilities	22,500.00	25,000.00	25,361.46	(361.46)
Total expenditures	<u>171,125.00</u>	<u>168,900.00</u>	<u>166,113.41</u>	<u>2,786.59</u>
Excess (Deficiency) of Revenue Over Expenditures	(65,525.00)	(95,000.00)	(91,448.06)	3,551.94
OTHER FINANCING SOURCES (USES)				
Operating transfers in	65,525.00	60,000.00	72,928.45	12,928.45
NET CHANGE IN FUND BALANCE	-	(35,000.00)	(18,519.61)	16,480.39
FUND BALANCE- BEGINNING	<u>28,929.00</u>	<u>28,929.00</u>	<u>28,929.00</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 28,929.00</u>	<u>\$ (6,071.00)</u>	<u>\$ 10,409.39</u>	<u>\$ 16,480.39</u>

See Accountant's Compilation Report and accompanying notes to financial statements.

VILLAGE OF RICHMOND, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
REVENUE				
Sales taxes	\$ 160,000.00	\$ 204,000.00	\$ 232,287.27	\$ 28,287.27
Interest earned	6,000.00	6,000.00	7,029.69	1,029.69
Total Revenues	<u>166,000.00</u>	<u>210,000.00</u>	<u>239,316.96</u>	<u>29,316.96</u>
EXPENDITURES				
Salaries	4,000.00	-	-	-
Administrative fees-sales tax	20,123.00	-	-	-
Insurance	-	6,500.00	6,469.00	31.00
Repairs & maintenance	20,000.00	85,000.00	85,015.62	(15.62)
Total Expenditures	<u>44,123.00</u>	<u>91,500.00</u>	<u>91,484.62</u>	<u>15.38</u>
EXCESS OF REVENUES OVER EXPENDITURES	121,877.00	118,500.00	147,832.34	29,332.34
OTHER FINANCING USES-Transfers out	<u>85,115.00</u>	<u>79,800.00</u>	<u>92,697.43</u>	<u>(12,897.43)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	36,762.00	38,700.00	55,134.91	16,434.91
FUND BALANCE-BEGINNING	<u>639,355.00</u>	<u>639,355.00</u>	<u>639,354.57</u>	<u>(0.43)</u>
FUND BALANCE-ENDING	<u>\$ 676,117.00</u>	<u>\$ 678,055.00</u>	<u>\$ 694,489.48</u>	<u>\$ 16,434.48</u>

See Accountant's Compilation Report and accompanying notes to the financial statements.

VILLAGE OF RICHMOND, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET & ACTUAL - DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
REVENUE				
Interest earned	\$ 900.00	\$ 75.00	\$ 891.71	\$ 816.71
EXPENDITURES				
Debt Service	<u>19,541.00</u>	<u>19,738.00</u>	<u>19,738.00</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,641.00)	(19,663.00)	(18,846.29)	816.71
OTHER FINANCING SOURCES-Transfers in	<u>19,590.00</u>	<u>19,800.00</u>	<u>19,768.98</u>	<u>(31.02)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES & OTHER FINANCING USES	949.00	137.00	922.69	785.69
FUND BALANCE - BEGINNING	<u>48,941.00</u>	<u>48,941.00</u>	<u>48,940.95</u>	<u>(0.05)</u>
FUND BALANCE - ENDING	<u>\$ 49,890.00</u>	<u>\$ 49,078.00</u>	<u>\$ 49,863.64</u>	<u>\$ 785.64</u>

See Accountant's Compilation Report and accompanying notes to the financial statements.

THE VILLAGE OF RICHMOND, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET & ACTUAL - CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
REVENUE				
Interest earned	\$ -	\$ -	\$ 7.41	\$ 7.41
EXPENDITURES				
Repairs and maintenance	-	2,650.00	2,646.40	3.60
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(2,650.00)	(2,638.99)	11.01
FUND BALANCE-BEGINNING	<u>4,104.00</u>	<u>4,104.00</u>	<u>4,104.23</u>	<u>0.23</u>
FUND BALANCE-ENDING	<u>\$ 4,104.00</u>	<u>\$ 1,454.00</u>	<u>\$ 1,465.24</u>	<u>\$ 11.24</u>

See Accountant's Compilation Report and accompanying notes to the financial statements.

OTHER SUPPLEMENTAL INFORMATION

PART III

VILLAGE OF RICHMOND, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
FOR THE 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 Robert Kivett	\$ 9,564.00
Alderman Mike Cummins	-
Alderman Olga Butler	-
Alderman Donnie Remore	-
	<hr/>
Total	<u>\$ 9,564.00</u>

David Q. Richardson
Certified Public Accountant
P.O. Box 891
Tallulah, Louisiana 71284
318-574-0514

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

Honorable Mayor and Members
Of the Board of Aldermen
Village of Richmond, Louisiana

I 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 Richmond, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended June 30, 2004 included in the accompanying Louisiana Attestation Questionnaire. This agreed-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, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There was no expenditures made during the year for materials and supplies that exceeded \$15,000.00 or public works exceeding \$100,000.00.

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 me 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 me 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 procedure (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 me with a copy of the original budget and amendments made to it.

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

I traced the adoption of the original budget to the minutes of a meeting held on August 6, 2003, which indicated that the budget had been adopted by the Board of Aldermen of the Village of Richmond by a vote of all in favor. The amended budget was adopted June 21, 2004.

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

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures for the year did not exceed budgeted amounts by more than 5%, and actual revenues exceeded or were within 5% of budgeted amounts.

8. Randomly select 6 disbursements made during the period under examination and:
 - (A) trace payments to supporting documentation as to proper amount and payee;

I 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 approvals from the mayor. All six invoices were approved for payment by the Mayor.

Meetings

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

The Village of Richmond, Louisiana is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building. Management has asserted that such documents were properly posted on the door of the office including an agenda for the meeting. The secretary had pictures of each notice on the office door and each meeting was advertised in the local newspaper.

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.

I 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.

Advances and Bonuses

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.

A reading of the minutes of the Village of Richmond, Louisiana for the year indicated no approval for any bonus, advance, or gift. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

Village of Richmond, Louisiana
Page Four

This report is intended solely for the use of management of the Village of Richmond, 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Tallulah, Louisiana
August 27, 2004

A handwritten signature in cursive script, appearing to read "David Flannery".

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

JULY 6, 2004 (Date Transmitted)

DAVID Q. RICHARDSON, CPA

P. O. BOX 891

TALLULAH, LA 71284 (Auditor)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation 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 (date of completion/representations). 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 []

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 39:34.

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 No

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

Yes No

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

Yes No

Meetings

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

Yes 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 39:1410.60-1410.65.

Yes 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 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.

Genevieve L. Ellis City Clerk 07-06-04 Date
Robert Swett Jr Mayor 07-06-04 Date