

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

Annual Financial Statements

As of and for the Year Ended
June 30, 2018

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

Annual Financial Statements

As of and for the Year Ended June 30, 2018

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VILLAGE OF KILBOURNE
Kilbourne, Louisiana
Annual Financial Statements
As of and for the Year Ended June 30, 2018

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M. Carleen Dumas
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Independent Accountant's Review Report

MAYOR AND BOARD OF ALDERMEN
VILLAGE OF KILBOURNE
Kilbourne, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and the major funds of the Village of Kilbourne (the "Village"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

MAYOR AND BOARD OF ALDERMEN
VILLAGE OF KILBOURNE
Kilbourne, Louisiana

Other Matters

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head and board of aldermen and the schedule of prior year findings are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information, and, accordingly, do not express an opinion on such information.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.



Calhoun, Louisiana
March 30, 2019

BASIC FINANCIAL STATEMENTS

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

STATEMENT OF NET POSITION
June 30, 2018

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS- TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash	\$9,936	\$29,630	\$39,566
Investments	11,359		11,359
Receivables	409		409
Internal balances	(3,442)	3,442	
Capital assets (net)	197,356		197,356
TOTAL ASSETS	<u>215,618</u>	<u>33,072</u>	<u>248,690</u>
LIABILITIES - accounts payable	<u>2,283</u>	<u>330</u>	<u>2,613</u>
NET POSITION			
Net investment in capital assets	197,356		197,356
Unrestricted	15,979	32,742	48,721
TOTAL NET POSITION	<u><u>\$213,335</u></u>	<u><u>\$32,742</u></u>	<u><u>\$246,077</u></u>

See accompanying notes and independent accountant's review report.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

Program Services.....			Net (Expense) Revenue andChanges in Net Position.....		
	Expenses	Charges for Services	Operating Grant	Capital Grant	Governmental Activities	Business-Type Activities
GOVERNMENTAL ACTIVITIES:						
General government	\$43,517	\$3,400	\$622		(\$39,495)	(\$39,495)
Public safety - police	36,929	35,981			(948)	(948)
Public works				\$137,320	137,320	137,320
Total governmental activities	<u>80,446</u>	<u>39,381</u>	<u>622</u>	<u>137,320</u>	<u>96,877</u>	<u>NONE</u>
BUSINESS-TYPE ACTIVITIES:						
Sewer service	<u>27,273</u>	<u>31,706</u>				<u>4,433</u>
Total government	<u>\$107,719</u>	<u>\$71,087</u>	<u>\$622</u>	<u>\$137,320</u>	<u>96,877</u>	<u>4,433</u>
GENERAL REVENUES:						
Franchise taxes					10,404	10,404
Occupational licenses					10,720	10,720
Investment earnings					6	6
Other general revenues					2,110	2,110
Total general revenues					<u>23,240</u>	<u>NONE</u>
CHANGE IN NET POSITION					<u>120,117</u>	<u>4,433</u>
NET POSITION - BEGINNING (Restated)					<u>93,218</u>	<u>28,309</u>
NET POSITION - ENDING					<u>\$213,335</u>	<u>\$32,742</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2018

	General Fund	LCDBG Capital Projects Fund	Total
ASSETS			
Cash	\$9,775	\$161	\$9,936
Investments	11,359		11,359
Receivables	409		409
TOTAL ASSETS	<u>\$21,543</u>	<u>\$161</u>	<u>\$21,704</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$2,283		\$2,283
Due to Sewer Fund	3,442		3,442
Total liabilities	<u>5,725</u>	NONE	<u>5,725</u>
Fund balance:			
Assigned - sewer improvement project		\$161	161
Unassigned	15,818		15,818
Total fund balance	<u>15,818</u>	<u>161</u>	<u>15,979</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$21,543</u>	<u>\$161</u>	<u>\$21,704</u>

**Reconciliation of the Balance Sheet of Governmental
Funds To the Statement of Net Position:**

Total fund balance - Governmental Funds	\$15,979
Amount reported for net position of governmental activities in the Statement of Net Position (Statement A) is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund	197,356
Net position of governmental activities (Statement A)	<u>\$213,335</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	General Fund	LCDBG Capital Projects Fund	Total
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Franchise taxes	\$10,404		\$10,404
Licenses and permits	10,720		10,720
Intergovernmental:			
State grants	622		622
Federal grant		\$137,320	137,320
Fines	35,981		35,981
Rent	3,400		3,400
Investment earnings	6		6
Other revenues	2,110		2,110
Total revenues	<u>63,243</u>	<u>137,320</u>	<u>200,563</u>
EXPENDITURES			
General government:			
Personal services	6,684		6,684
Operating services	27,902	62	27,964
Other charges	6,540		6,540
Public safety:			
Personal services	28,275		28,275
Operating services	5,520		5,520
Capital outlay		137,320	137,320
Total expenditures	<u>74,921</u>	<u>137,382</u>	<u>212,303</u>
EXCESS(Deficiency) OF REVENUES OVER EXPENDITURES	(11,678)	(62)	(11,740)
FUND BALANCE AT BEGINNING OF YEAR	<u>27,496</u>	<u>223</u>	<u>27,719</u>
FUND BALANCE AT END OF YEAR	<u><u>\$15,818</u></u>	<u><u>\$161</u></u>	<u><u>\$15,979</u></u>

(Continued)

See accompanying notes and independent accountant's review report.

VILLAGE OF KILBOURNE
 Kilbourne, Louisiana
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
 For the Year Ended June 30, 2018

Total

**Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balance of
 Governmental Funds to the Statement of Activities:**

Net change in fund balance - total governmental activities	(\$11,740)
Amount reported for governmental activities in the Statement of Activities (Statement B) 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 capital outlay exceeded depreciation expense in the current period.	
	<u>131,857</u>
Change in net position of governmental activities (Statement B)	<u><u>\$120,117</u></u>

(Concluded)

See accompanying notes and independent accountant's review report.

VILLAGE OF KILBOURNE
 Kilbourne, Louisiana

STATEMENT OF NET POSITION - BUSINESS-TYPE ACTIVITIES
 June 30, 2018

	<u>Sewer Enterprise Fund</u>
ASSETS	
Cash	\$29,630
Due from General Fund	<u>3,442</u>
Total assets	<u>33,072</u>
LIABILITIES - accounts payable	<u>330</u>
NET POSITION - unrestricted	<u><u>\$32,742</u></u>

See accompanying notes and independent accountant's review report.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES
For the Year Ended June 30, 2018

	Sewer Enterprise Fund
OPERATING REVENUES	
Sewer fees	<u>\$31,706</u>
OPERATING EXPENSES	
Utilities	2,785
Salaries	10,800
Repairs and maintenance	3,071
Office expense	593
Supplies	6,195
Dues and fees	1,060
Testing fees	2,704
Other operating expenses	65
Total operating expenses	<u>27,273</u>
OPERATING INCOME	4,433
NET POSITION - BEGINNING	<u>28,309</u>
NET POSITION - ENDING	<u><u>\$32,742</u></u>

See accompanying notes and independent accountant's review report.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

STATEMENT OF CASH FLOWS - BUSINESS-TYPE ACTIVITIES
For the Year Ended June 30, 2018

	<u>Sewer Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$31,706
Payments to suppliers	(16,448)
Payments to employees	<u>(10,800)</u>
Net cash provided by operating activities	4,458
CASH AT BEGINNING OF YEAR	<u>25,172</u>
CASH AT END OF YEAR	<u><u>\$29,630</u></u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$4,433
Adjustments:	
Increase in accounts payable	<u>25</u>
Net cash provided by operating activities	<u><u>\$4,458</u></u>

See accompanying notes and independent accountant's review report.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2018

INTRODUCTION

The Village of Kilbourne was incorporated under the provisions of the Lawrason Act. The village is governed by the mayor-board of aldermen form of government. The village provides public safety, public works, and general government services to its residents. The village has an elected Chief of Police and two other part-time employees.

GASB Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14* establishes 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 of Kilbourne 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 and local governments. As used in GASB Statement Nos. 14 and 39, fiscally independent means that the municipality 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 has no component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Village of Kilbourne. Governmental activities, which normally are supported by franchise taxes and other general revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 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.

VILLAGE OF KILBOURNE
Notes to the Financial Statements

Separate financial statements are provided for governmental funds and business-type activities funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

**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, as are the business-type fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as 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, revenues are considered 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 expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes 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. All other revenue items are considered to be measurable and available only when cash is received by the village.

The Village of Kilbourne reports the following governmental funds:

General Fund

The General fund is the general operating fund of the village and accounts for all financial resources of the general government.

LCDBG Capital Projects Fund

The LCDBG Capital Project Fund is used to account for the grant funds received from the Louisiana Office of Community Development for a sewer improvement project.

The Village of Kilbourne reports the following business-type activity fund:

Sewer Enterprise Fund

The Sewer Enterprise fund accounts for the operations of the village's sewer system.

As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements.

Amounts reported as program revenues include charges to customers for goods, services, or privileges provided and operating and capital grants. General revenues include all taxes, occupational licenses, and miscellaneous revenue.

Business-type activities funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's ongoing operations. The Sewer Enterprise Fund's operating revenues consist of sewer fees and other miscellaneous operating revenues. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

C. Deposits and Investments

Cash includes amounts in demand deposits. State law allows the village to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 2018, the village's investments consist of a nonnegotiable certificate of deposit with an original maturity that exceeds 90 days that is reported in the accompanying financial statements at cost.

VILLAGE OF KILBOURNE
Notes to the Financial Statements

D. Receivables

All receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts. The village is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole. Past due accounts are written off when they are considered uncollectible by management.

E. Capital Assets

Capital assets, which include the sewer system and improvements, buildings, equipment, and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements net of accumulated depreciation. Capital assets are capitalized at historical cost or estimated cost. Approximately 96 percent of the village's capital assets have been capitalized at cost and the remaining 4 percent have been capitalized at estimated cost based on the historical cost of similar assets. The Village of Kilbourne maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All capital assets, except construction in progress, are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - sewer system and improvements	25 years
Buildings	40 years
Equipment	5-10 years

F. Net Position/Fund Balance

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which funds can be spent. Fund balance should be

VILLAGE OF KILBOURNE
Notes to the Financial Statements

reported as restricted when constraints on the use of the funds meet the same criteria as restricted net position in the government-wide statement of net position as noted in the previous paragraph. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the board of aldermen are reported as committed fund balance. Assigned fund balance are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The board of aldermen is authorized to assign amounts to a specific purpose. Unassigned fund balance is the residual classification and represents fund balance that has not been restricted, committed, or assigned to a specific purpose.

At June 30, 2018, the Village's had only unassigned fund balance in the General Fund. The LCDBG Capital Projects Fund's fund balance was assigned for a sewer improvement project.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. STEWARDSHIP, COMPLIANCE, AND
ACCOUNTABILITY**

Budget Information

The Village of Kilbourne uses the following budget practices:

A General Fund budget prepared on the modified accrual basis of accounting was adopted by the village for the year ended June 30, 2018. The budget is legally adopted by the board of aldermen at a board meeting and amended during the year as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The budgetary comparison schedule included as supplemental information in the accompanying financial statements includes the original budget amount. There were no budget amendments during the year.

VILLAGE OF KILBOURNE
Notes to the Financial Statements

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At June 30, 2018, the village has cash and investments (book balances) as follows:

Checking accounts	\$39,566
Investments - certificates of deposit	<u>11,359</u>
Total	<u><u>\$50,925</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At June 30, 2018, the Village of Kilbourne had \$73,719 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

4. RECEIVABLES

The following is a summary of receivables at June 30, 2018:

	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Franchise taxes	<u>\$409</u>	<u>NONE</u>	<u>\$409</u>

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2018, is as follows:

	<u>Balance at July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2018</u>
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	<u>\$32,405</u>	<u>\$137,320</u>	<u>NONE</u>	<u>\$169,725</u>
Capital assets being depreciated:				
Buildings	\$94,000			\$94,000
Equipment	<u>71,133</u>			<u>71,133</u>
Total capital assets being depreciated	<u>165,133</u>	<u>NONE</u>	<u>NONE</u>	<u>165,133</u>
Less accumulated depreciation for:				

VILLAGE OF KILBOURNE
Notes to the Financial Statements

	Balance at July 1, 2017	Increases	Decreases	Balance at June 30, 2018
Buildings	\$76,433	\$850		\$77,283
Equipment	55,606	4,613		60,219
Total accumulated depreciation	132,039	5,463	NONE	137,502
Total assets being depreciated, net	33,094	(5,463)	NONE	27,631
Total assets, net	<u>\$65,499</u>	<u>\$131,857</u>	<u>NONE</u>	<u>\$197,356</u>

Business-type activities:

Capital assets being depreciated:				
Sewer system and improvements	\$1,338,828	NONE	NONE	\$1,338,828
Less accumulated depreciation for:				
Sewer system and improvements	1,338,828	NONE	NONE	1,338,828
Total assets being depreciated, net	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

Depreciation expense of \$2,329 was charged to the general government function, and \$3,134 was charged to public safety function.

6. RESTATEMENT OF BEGINNING NET POSITION

The following provides a summary of the changes in beginning net position for the governmental activities:

Beginning net position as previously reported	\$82,988
Equipment purchased in prior year that was excluded from capital assets	14,790
Accumulated depreciation on excluded capital asset	<u>(4,560)</u>
Beginning net position, restated	<u>\$93,218</u>

7. RISK MANAGEMENT

The village purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

8. GRANTS

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the village. In the opinion of management, any such adjustments would not be material to the village's operating results or fund balances.

9. SUBSEQUENT EVENTS

The Village of Kilbourne has evaluated subsequent events through March 30, 2019, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended June 30, 2018

	BudgetedAmounts.....		Actual Amounts (Budgetary Basis - GAAP)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Franchise taxes	\$10,800	\$10,800	\$10,404	(\$396)
Licenses and permits	10,500	10,500	10,720	220
Intergovernmental revenue - state grant			622	622
Fines	39,000	39,000	35,981	(3,019)
Rent			3,400	3,400
Investment earnings	10	10	6	(4)
Other revenue	15,000	15,000	2,110	(12,890)
Total revenues	<u>75,310</u>	<u>75,310</u>	<u>63,243</u>	<u>(12,067)</u>
EXPENDITURES				
General government:				
Personal services	6,600	6,600	6,684	(84)
Operating services	29,800	29,800	27,902	1,898
Other charges	10,000	10,000	6,540	3,460
Public safety:				
Personal services	22,800	22,800	28,275	(5,475)
Operating services	6,000	6,000	5,520	480
Total expenditures	<u>75,200</u>	<u>75,200</u>	<u>74,921</u>	<u>279</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	110	110	(11,678)	(11,788)
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>27,496</u>	<u>27,496</u>
FUND BALANCE AT END OF YEAR	<u>\$110</u>	<u>\$110</u>	<u>\$15,818</u>	<u>\$15,708</u>

There were no budget amendments for the year ended June 30, 2018.

OTHER SUPPLEMENTAL INFORMATION SCHEDULES

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

OTHER SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2018

**SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
AND BOARD OF ALDERMEN**

The Schedule of Compensation, Benefits and Other Payments to Agency Head and Board of Aldermen is presented in compliance with Act 706 of the 2014 Session and House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The mayor received \$150 per month and the aldermen serve without benefit of compensation.

SCHEDULE OF PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in Schedule 3.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

Schedule of Compensation, Benefits and
Other Payments to Agency Head and
Board of Aldermen

For the Year Ended June 30, 2018

COMPENSATION

Agency Head - Toni Shumate - Mayor	\$1,800
J.L. Allen	NONE
Donal Robinson	NONE
Jerry Thomas	NONE

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2018

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Status of Finding
2017-1	2016	Actual General Fund revenues were \$8,498 (12%) less than budgeted revenues.	Unresolved - see current year finding 2018-001.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2018

2018-001. Noncompliance with Local Government Budget Act

Criteria: L.R.S 39:1310 requires that the Village amend the adopted budget when actual revenues fail to meet budgeted revenues by 5% or more.

Condition: Actual revenues were \$12,067 (16%) less than budgeted revenues.

Cause: Management of the Village failed to properly estimate revenues.

Effect: Violation of L.R.S. 39:1310.

Recommendation: The Village should adopt a budget amendment when actual revenues fail to meet budgeted revenues by 5% or more.

Management's Response: For all future years, the Village will adopt a budget amendment when actual revenues fail to meet budgeted revenues by 5% or more.

2018-002. Payment of Employees Share of Payroll Taxes

Criteria: The use of public funds is controlled by the limits set forth in Article VII, Section 14 of the Constitution. Section 14(A) generally prohibits the Village from donating public funds. The expenditure of public funds must not appear to be gratuitous.

Condition: The Village paid \$2,983 of the employees' share of social security and medicare taxes which may constitute a donation of public funds. The Village is only legally responsible for paying its matching share of social security and medicare taxes. The Internal Revenue Service also requires the Village to deduct the employees' share of payroll taxes from gross wages or include the amount of payroll taxes paid on the employee's behalf as wages that are also subject to payroll taxes.

Cause: Management of the Village was unaware that the Village's payment of the employees' share of payroll taxes may violate state law.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2018

Effect: Possible violation of Article VII, Section 14 of the Constitution.

Recommendation: The Village should deduct the employees' share of social security and medicare taxes from the employees' gross wages. If the Village wants the employees' to continue to receive the same amount of net pay, the Village should increase each employee's gross pay by 7.65%.

Management's Response: Effective with the next payroll period, the Village will deduct the employees' share of social security and medicare taxes from the employee's gross wages.

2018-003. Noncompliance with Louisiana Audit Law

Criteria: L.R.S 24:513(A)(5)(a)(i) requires that the Village submit its annual financial statements to the Louisiana Legislative Auditor within six months of the close of the Village's fiscal year.

Condition: The Village did not submit its annual financial statements for the year ended June 30, 2018, by December 31, 2018.

Cause: Management of the village failed to maintain timely accounting records that would allow for the completion and submission of the financial statements within six months of close of the Village's fiscal year.

Effect: Violation of L.R.S. 24:513.

Recommendation: Management of the Village should maintain the accounting records on a monthly basis so that the annual financial statements can be completed and submitted to the Louisiana Legislative Auditor by December 31 of each year.

Management's Response: Management of the Village will begin maintaining the accounting records on a monthly basis effective immediately and will submit the annual financial statements for the year ended June 30, 2019 by December 31, 2019..

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

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

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

MAYOR AND BOARD OF ALDERMEN
VILLAGE OF KILBOURNE
Kilbourne, Louisiana

I have performed the procedures enumerated below, which were agreed to by the Village of Kilbourne and the Louisiana Legislative Auditor (the specified parties), on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2018, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.), R.S. 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

A review was made of all expenditures for the year. There were no expenditures for materials and supplies that exceeded \$30,000 nor any expenditures for public works exceeding \$154,450 made during the year.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided the requested information.

Village of Kilbourne
Independent Accountant's Report on
Applying Agreed-Upon Procedures
June 30, 2018

3. Obtain a list of all employees paid during the fiscal year.

Management provided the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list of employees provided by management for agreed-upon Procedure 3 appeared on the list provided by management in agreed-upon Procedure 2.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

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

Management provided a copy of the legally adopted budget. There were no legally adopted budget amendments.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The budget was adopted on June 12, 2017.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceed budgeted amounts by 5% or more.

Actual revenues failed to meet budgeted revenues by \$12,067 or 16%. Actual expenditures were less than budgeted expenditures.

Management's Corrective Action: See Current Year Findings and Corrective Action Plan on page 28.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation and:

- (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

- (b) Report whether the six disbursements were coded to the correct fund and general ledger account.

Each of the six selected disbursements were coded to the correct fund and general ledger account.

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

One of the six selected disbursements was not approved in accordance with management's policies and procedures. The check was not co-signed by the Mayor as required.

Management's Corrective Action: The Clerk will ensure that the Mayor co-signs each check before it is mailed to the vendor.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 - 42:28 (the opening meetings law); and report whether there are any exceptions.

Management provided evidence that a notice of each meeting and the accompanying agenda are posted on the door of the Village's place of meeting as required by the open meetings law.

Village of Kilbourne
Independent Accountant's Report on
Applying Agreed-Upon Procedures
June 30, 2018

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

I scanned all bank deposit slips for the fiscal year and noted no deposits which appeared to be proceeds from bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain a list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

I scanned payroll disbursements and read the meeting minutes of the Village's board of aldermen for the fiscal year. The Village pays the employees' share of social security and medicare taxes which may constitute a bonus or gift.

Management's Corrective Action: See Current Year Findings and Corrective Action Plan on page 28.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Village's report for the year ended June 30, 2018, was not submitted by December 31, 2018.

Management's Corrective Action: See Current Year Findings and Corrective Action Plan on page 28.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1.A (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The Village did not enter into any contracts as specified above while the agency was in noncompliance with R.S. 24:513.

Village of Kilbourne
Independent Accountant's Report on
Applying Agreed-Upon Procedures
June 30, 2018

Prior Year Comments

15. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

My prior year report, dated December 29, 2017, included one finding. That finding has not been resolved by management.

Management's Corrective Action: See Current Year Findings and Corrective Action Plan on page 28.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Calhoun, Louisiana
March 30, 2019

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

_____ (Date Transmitted)

M. Carleen Dumas, CPA

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2018 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] 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 R.S. 42:1101-1124.

Yes [] 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 R.S. 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] 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 R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
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 R.S. 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, R.S. 14:138, and AG opinion 79-729.
Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.
Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.
Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.
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.
Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.
Yes [] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants 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 your report.
Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.
Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

Rusan Hedykinn
Ici Marat

Clerk 3/11/19 Date
Mayor 3-11-19 Date