

**KILBOURNE VOLUNTEER
FIRE DISTRICT
Kilbourne, Louisiana**

**Compiled Financial Statements
Year Ended June 30, 2011**

PREPARED BY:

**JIMMIE SELF, CPA
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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 **FEB 15 2012**

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Compiled Financial Statements
Year Ended June 30, 2011

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Kilbourne Volunteer Fire District
Kilbourne, Louisiana

Dear Board Members,

I have compiled the accompanying financial statements of the governmental activities of the Kilbourne Volunteer Fire District, a component unit of the West Carroll Parish Police Jury, State of Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the Fire District's basic financial statements as listed in the table of contents. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

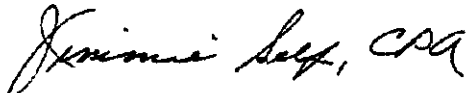
The management of the Fire District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the Fire District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

The Schedule of Compensation Paid Commissioners and the Schedule of Findings and Responses on pages 13 and 14 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have compiled the Schedule of Compensation Paid Commissioners and the Findings and Responses from information that is the representation of management of the Fire District, without audit or review. Accordingly, I do not express an opinion or provide any assurance on the supplementary information.

The Kilbourne Volunteer Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended June 30, 2011. The effects of this departure from generally accepted accounting principles has not been determined.



JIMMIE SELF, CPA
MONROE, LOUISIANA
December 28, 2011

GENERAL PURPOSE FINANCIAL STATEMENTS

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, LA

STATEMENT A

ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
June 30, 2011

| | Governmental | ACCOUNT | |
|---|--------------------------|--------------------------|--------------------------|
| | Fund | GROUP | Totals |
| | Type | Capital | Memorandum |
| | General | Assets | Only |
| | Fund | | |
| <u>ASSETS AND OTHER DEBITS</u> | | | |
| Cash in Bank | \$ 18,793 | \$ - | \$ 18,793 |
| Investments | 129,182 | - | 129,182 |
| Land, Buildings, and Equipment | - | 806,758 | 806,758 |
| TOTAL ASSETS AND OTHER DEBITS | <u>\$ 147,975</u> | <u>\$ 806,758</u> | <u>\$ 954,733</u> |
| | | | |
| <u>LIABILITIES AND FUND EQUITY</u> | | | |
| LIABILITIES | \$ - | \$ - | \$ - |
| TOTAL LIABILITIES | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | |
| FUND EQUITY | | | |
| Investments in General Fixed Assets | - | 806,758 | 806,758 |
| FUND BALANCE | | | |
| Undesignated | 147,975 | - | 147,975 |
| TOTAL FUND BALANCE | <u>147,975</u> | <u>806,758</u> | <u>954,733</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$ 147,975</u> | <u>\$ 806,758</u> | <u>\$ 954,733</u> |

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

KILBOURNE VOLUNTEER FIRE DISTRICT
 Kilbourne, LA

STATEMENT B

GOVERNMENTAL FUND TYPE - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
 June 30, 2011

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|--|------------------|-------------------|---|
| REVENUES | | | |
| West Carroll Parsh Police Jury Sales Tax | \$ 50,000 | \$ 60,842 | \$ 10,842 |
| 2% Insurance Rebate | 4,000 | 6,639 | 2,639 |
| Interest Income | 600 | 54 | (546) |
| Miscellaneous | - | 78 | 78 |
| Total Revenues | <u>54,600</u> | <u>67,613</u> | <u>13,013</u> |
| EXPENDITURES | | | |
| Current - Public Safety | | | |
| Awards | - | 630 | 630 |
| Charity | - | 710 | 710 |
| Fuel | 5,000 | 1,252 | (3,748) |
| Lawn Maintenance | - | 480 | 480 |
| Office Supplies | - | 641 | 641 |
| Oak Grove Fire District | 2,000 | - | (2,000) |
| Pest Control | - | 400 | 400 |
| Professional Service | 2,000 | 4,095 | 2,095 |
| Radio Supplies | - | 231 | 231 |
| Repairs | 6,400 | 13,661 | 7,261 |
| Bookkeeping | 2,400 | - | (2,400) |
| Utilities and Telephone | 8,000 | 6,414 | (1,586) |
| Insurance | 15,000 | 10,554 | (4,446) |
| Licenses and Permits | - | 600 | 600 |
| Miscellaneous | 5,000 | 3,253 | (1,747) |
| Total Expenditures | <u>45,800</u> | <u>42,921</u> | <u>4,003</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>8,800</u> | <u>24,692</u> | <u>(15,892)</u> |
| NON-OPERATING REVENUES (EXPENDITURES) | | | |
| Transfer to CD # 6020+20000 from 6020 to ckg (10000) | | | |
| Transfer to ckg acct #2487 | | | |
| Transfer from ck # 2487 to cd #3416 | - | (20,000) | (20,000) |
| Transfer to cd #3416 from ckg \$ 2487 | 15,000 | 20,000 | 35,000 |
| Kubota Tractor | - | (9,797) | (9,797) |
| Additions to fire station | - | (23,576) | (23,576) |
| TOTAL NON-OPERATING REVENUES (EXPENDITURES) | <u>15,000</u> | <u>(33,373)</u> | <u>18,373</u> |
| NET INCOME (LOSS) | (6,200) | (8,681) | 2,481 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>82,109</u> | <u>156,656</u> | <u>(74,547)</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 75,909</u> | <u>\$ 147,975</u> | <u>\$ (72,066)</u> |

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

NOTES TO FINANCIAL STATEMENTS

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

The Kilbourne Volunteer Fire District was established to provide fire protection to an area within and surrounding the towns of Kilbourne and Terry, located in the extreme northeast corner of the Parish of West Carroll, Louisiana. The fire district operates independent of any other parish governing body, but functions under the guidelines set forth by the West Carroll Parish Police Jury. The Kilbourne Volunteer Fire District, hereinafter referred to as the District, operates under the direction of a five-member board of commissioners, two appointed by the West Carroll Parish Police Jury, one elected at large, and two elected from within the Village of Kilbourne. All board members serve without financial compensation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general-purpose financial statements of the Kilbourne Volunteer Fire District have not been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Kilbourne Volunteer Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended June 30, 2011. The effects of this departure from generally accepted accounting principles has not been determined.

B. REPORTING ENTITY

As the governing authority of the parish for reporting purposes, the West Carroll Police Jury is the financial entity for West Carroll Parish. The financial entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the West Carroll Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. The criteria include

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

to or impose specific financial burdens on the police jury

- 2 Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
- 3 Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship

Because the Kilbourne Volunteer Fire District is fiscally dependent on the police jury, the district was determined to be a component unit of the West Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed asset and long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with measurement of financial position, not with the measurements of results of operations.

The only fund for the district is the governmental fund. Governmental funds account for the district's general activities, including collection and disbursement of specific or legally restricted monies. The governmental funds are also used for the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include:

- 1 General Fund – The general operating fund of the district and accounts for all financial activities, except for those required to be accounted for in other funds

D. BASIS OF ACCOUNTING

The accounting of financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements for these

KILBOURNE VOLUNTEER FIRE DISTRICT

Kilbourne, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2011

funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

All revenues are recorded when the district is entitled to the funds.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting, when the liability is incurred.

E. BUDGET PRACTICES

The proposed budget, prepared on the GAAP basis of accounting, was prepared and adopted by the board of commissioners. The budget is established and controlled by the board of commissioners at the object level of expenditure. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements included the original adopted budget. A review of the FYE 06/30/2011 budget showed that the amounts budgeted for the year fell within the 5% variance as required by Louisiana statute.

F. ENCUMBRANCE ACCOUNTING

Encumbrance accounting is not used by the District.

G. CASH

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks under Louisiana law and national banks having principal offices in Louisiana. If the original maturities are 90 days or less, they are classified as cash equivalents.

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 securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal amount on deposit.

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash balances are fully secured by the FDIC.

H. INVESTMENTS

Investments are limited by the Louisiana Revised Statute R. S. 33:2955 and the political subdivision's investment policy. If 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. All investments are bank certificates of deposit and are stated at cost. The District's certificates of deposit are fully secured by the FDIC.

I. CAPITAL ASSETS

Capital assets are recorded as expenditures at the time purchased or constructed, and reported on the balance sheet as Account Group – Capital Assets. No depreciation has been provided on capital assets. All capital assets are valued at historical cost. The cost of normal maintenance and repairs that do not add to the value of capital assets or materially extend their lives are not capitalized.

J. COMPENSATED ABSENCES

The district has no paid employees. Therefore there is no policy relating to vacation and sick leave. All participants in the fire protection services provided by the fire district are voluntary.

K. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

L. SALES TAXES

In 1997 the West Carroll Parish Police Jury passed a ½% sales tax for fire protection in West Carroll Parish. This was a 10-year tax.

The Fire Protection Tax was re-enacted in a parish referendum in 2006. It was again voted in as a 10-year tax.

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

This tax is divided among the fire protection districts of the parish for this purpose and is collected and distributed among the various fire districts on a monthly basis by the Police Jury

M. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not represent the financial position or result of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a compilation.

N. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2. CASH AND CASH EQUIVALENTS

The Kilbourne Volunteer Fire District maintains its checking accounts in the Capital One Bank in Oak Grove, Louisiana, and the West Carroll Community Bank in Oak Grove, Louisiana. The district had balances respectively of \$11,229 and \$7,564 for a total balance in its checking accounts on June 30, 2011 of \$18,793. The accounts are insured by the FDIC in amounts up to \$250,000 in each bank for a total of \$500,000 and are sufficiently collateralized.

NOTE 3. INVESTMENTS

The Kilbourne Volunteer Fire District has certificates of deposit in the State Farm Bank, Bloomington, IL. These are stated at cost on the enclosed Statement A. The certificates of deposit had a balance of \$129,182 which includes \$20,000 taken from checking during the current period for the purchase of a new Certificate of Deposit. The accounts are insured by the FDIC up to \$250,000 and are sufficiently collateralized.

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

NOTE 4. CHANGES IN CAPITAL ASSETS

A summary of changes in Capital Assets follows

| | Balance June 30,2010 | Additions | Deletions | Balance June 30,2011 |
|--------------|-------------------------|---------------|-----------|-------------------------|
| Fixed Assets | \$ 773,385 | 33,373 | 0 | \$ 806,758 |
| Total | <u>\$ 773,385</u> | <u>33,373</u> | <u>0</u> | <u>\$ 806,758</u> |

NOTE 5. CHANGES IN LONG-TERM DEBT

As of June 30, 2011 the district has no long-term debt

NOTE 6. RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose as required by FASB 57.

NOTE 7. LITIGATION AND CLAIMS

The Kilbourne Volunteer Fire District is not a defendant in any litigation seeking damages

NOTE 8. POST-EMPLOYMENT BENEFITS

The district has no employees Therefore there are no provisions made for post-employment benefits of any kind

NOTE 9. SUBSEQUENT EVENTS

Subsequent events were evaluated by management up to and including the issue date of this report, December 28, 2011 There were no subsequent events noted which would affect the financial statements for the year ended June 30, 2011

NOTE 10. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts theft of, damage to, and destruction of assets, and injuries to volunteers To handle such risk of loss, the district maintains coverage on the fire district with insured as West Carroll Firemen's Association through VFIS of Miss/Lou, 9456 Jefferson Highway -Suite C, Baton Rouge, LA, 70809 The policy covers general liability, property, employee liability, workers compensation, and public officials' liability No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts There were no significant reductions in insurance coverage during the year ended June 30, 2011.

SUPPLEMENTARY INFORMATION SCHEDULES

SCHEDULE OF COMPENSATION PAID COMMISSIONERS
For the year ended June 30, 2011

The names of the commissioners who serve on the board of the Kilbourne Volunteer Fire District are listed below. They all serve without any financial compensation. They are as follows:

Donald Murray – President
648 Chop Road
Oak Grove, LA 71263
318/428-2487

Howard Tullos – Board Member
P O Box 234
Kilbourne, LA 71253
318/428-8561

Paul W Hayes – Board Member
P O Box 134
Kilbourne, LA 71253
318/428-4580

Roger Maxwell – Board Member
P O Box 171, 20760 Hwy 585
Oak Grove, LA
318/428-8664

Renn Whitney – Board Member
18960 Hwy 585
Oak Grove, LA 71263
318/428-2018

SCHEDULE OF FINDINGS AND RESPONSES KILBOURNE VOLUNTEER FIRE DISTRICT

For the Year Ended June 30, 2011

Finding 2011-1

CRITERIA Duties should be distributed among employees

CONDITION Inadequate segregation of duties

CONTEXT Kilbourne Fire Department has no employees and therefore no work force in place for handling the duties of the office personnel All persons with the fire district are volunteers

EFFECT OF CONDITION Internal control is weakened by the limited staff

CAUSE OF CONDITION The staff consists of one individual performing office duties

RECOMMENDATION Hire more office staff and redistribute duties

CLIENT RESPONSE Management states this cannot be remedied due to lack of funds

Prior Year Findings and Responses
For the Year Ended June 30, 2010

None