

**VILLAGE OF KILBOURNE**  
**Kilbourne, Louisiana**

**Annual Financial Statements**

**As of and for the Year Ended**  
**June 30, 2014**

VILLAGE OF KILBOURNE  
Kilbourne, Louisiana

Annual Financial Statements

As of and for the Year Ended June 30, 2014

**C O N T E N T S**

|   | <b>Statement</b> | <b>Page No.</b> |
|---|------------------|-----------------|
| <b>Accountant's Compilation Report</b>                              |                  | 3               |
| <b>Basic Financial Statements:</b>                                  |                  |                 |
| Government-Wide Financial Statements:                               |                  |                 |
| Statement of Net Position   | A                | 6               |
| Statement of Activities   | B                | 7               |
| Fund Financial Statements:  |                  |                 |
| Governmental Funds:   |                  |                 |
| Balance Sheet   | C                | 8               |
| Statement of Revenues, Expenditures<br>and Changes in Fund Balances | D                | 9               |
| Business-Type Activities:   |                  |                 |
| Statement of Net Position   | E                | 11              |
| Statement of Revenues, Expenses, and Changes<br>in Net Position     | F                | 12              |
| Statement of Cash Flows   | G                | 13              |
| Notes to the Financial Statements                                   |                  | 14              |

VILLAGE OF KILBOURNE  
Kilbourne, Louisiana  
Annual Financial Statements  
As of and for the Year Ended June 30, 2014

**C O N T E N T S** (Contd.)

|  | <b>Schedule</b> | <b>Page No.</b> |
|--|-----------------|-----------------|
| <b>Required Supplemental Information:</b>  |                 |                 |
| Schedule of Revenues, Expenditures, and<br>Changes in Fund Balance - Budget and<br>And Actual - General Fund | 1               | 22              |
| <b>Other Supplemental Information Schedules:</b>   |                 |                 |
| Status of Prior Year Findings  | 2               | 25              |
| Current Year Findings and Corrective Action Plan   | 3               | 26              |

**M. CARLEEN DUMAS**  
**Certified Public Accountant**  
**369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726**

**Accountant's Compilation Report**

MAYOR AND BOARD OF ALDERMEN  
VILLAGE OF KILBOURNE  
Kilbourne, Louisiana

I have compiled the accompanying financial statements of the governmental activities, the business-type activities, and the major fund of the Village of Kilbourne (the "Village") as of and for the year ended June 30, 2014, which collectively comprise the Village'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 Village 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 Village 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. During my compilation, I did become aware of a departure from accounting principles generally accepted in the United States of America that is described in the following paragraph.

Management has omitted Management's Discussion and Analysis information 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

**Member of the American Institute of Certified Public Accountants**  
**Member of the Society of Louisiana of Certified Public Accountants**

MAYOR AND BOARD OF ALDERMEN  
VILLAGE OF KILBOURNE  
Kilbourne, Louisiana

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 22 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information has been compiled by me without audit or review and accordingly, I do not express an opinion or provide any assurance on it.

The status of prior year findings and current year findings and corrective action plan on pages 25 and 26 are not a part of the basic financial statements but are supplementary information required by the Louisiana Governmental Audit Guide. Such information has been compiled by me without audit or review and accordingly, I do not express an opinion or provide any assurance on it.

I am not independent with respect to the Village of Kilbourne for the year ended June 30, 2014.

/s Carleen Dumas  
Calhoun, Louisiana  
December 19, 2014

## **BASIC FINANCIAL STATEMENTS**

VILLAGE OF KILBOURNE  
Kilbourne, Louisiana

STATEMENT OF NET POSITION  
June 30, 2014

|                                       | GOVERNMENTAL<br>ACTIVITIES | BUSINESS-<br>TYPE<br>ACTIVITIES | TOTAL           |
|---------------------------------------|----------------------------|---------------------------------|-----------------|
| <b>ASSETS</b>                         |                            |                                 |                 |
| Cash                                  | \$27,715                   | \$17,046                        | \$44,761        |
| Investments                           | 11,337                     |                                 | 11,337          |
| Receivables                           | 523                        |                                 | 523             |
| Internal balances                     | (3,000)                    | 3,000                           |                 |
| Capital assets (net)                  | 39,337                     |                                 | 39,337          |
|                                       | <u>75,912</u>              | <u>20,046</u>                   | <u>95,958</u>   |
| <b>LIABILITIES - accounts payable</b> | <u>440</u>                 | <u>854</u>                      | <u>1,294</u>    |
| <b>NET POSITION</b>                   |                            |                                 |                 |
| Net investment in capital assets      | 39,337                     |                                 | 39,337          |
| Unrestricted                          | 36,135                     | 19,192                          | 55,327          |
|                                       | <u>\$75,472</u>            | <u>\$19,192</u>                 | <u>\$94,664</u> |

See accompanying notes and accountant's compilation report.

VILLAGE OF KILBOURNE  
Kilbourne, Louisiana

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2014

|   | .....Program Services..... |                            |                    | Net (Expense) Revenue and<br>.....Changes in Net Assets..... |                                 |                 |
|---|----------------------------|----------------------------|--------------------|--|---------------------------------|-----------------|
|   | Expenses                   | Charges<br>for<br>Services | Operating<br>Grant | Governmental<br>Activities                                   | Business-<br>Type<br>Activities | Total           |
| <b>GOVERNMENTAL ACTIVITIES:</b>             |                            |                            |                    |  |                                 |                 |
| General government                          | \$34,330                   | \$2,500                    |                    | (\$31,830)   |                                 | (\$31,830)      |
| Public safety - police                      | 14,758                     | 17,442                     |                    | 2,684  |                                 | 2,684           |
| Total governmental activities               | <u>49,088</u>              | <u>19,942</u>              | NONE               | <u>(29,146)</u>  | NONE                            | <u>(29,146)</u> |
| <b>BUSINESS-TYPE ACTIVITIES:</b>            |                            |                            |                    |  |                                 |                 |
| Sewer service                               | 49,136                     | 27,064                     | 21,250             |  | (\$822)                         | (822)           |
| Total government                            | <u>\$98,224</u>            | <u>\$47,006</u>            | <u>\$21,250</u>    | <u>(29,146)</u>  | <u>(822)</u>                    | <u>(29,968)</u> |
| <b>GENERAL REVENUES AND SPECIAL ITEMS:</b>  |                            |                            |                    |  |                                 |                 |
| Franchise taxes                             |                            |                            |                    | 7,381  |                                 | 7,381           |
| Occupational licenses                       |                            |                            |                    | 8,792  |                                 | 8,792           |
| Investment earnings                         |                            |                            |                    | 6  |                                 | 6               |
| Other general revenues                      |                            |                            |                    | 25   |                                 | 25              |
| Transfers in                                |                            |                            |                    | 1,651  | (1,651)                         |                 |
| Transfers out                               |                            |                            |                    | (437)  | 437                             |                 |
| Special item - gain on sale of fixed assets |                            |                            |                    |  | 1,400                           | 1,400           |
| Total general revenues                      |                            |                            |                    | <u>17,418</u>  | <u>186</u>                      | <u>17,604</u>   |
| <b>CHANGE IN NET POSITION</b>               |                            |                            |                    | <u>(11,728)</u>  | <u>(636)</u>                    | <u>(12,364)</u> |
| <b>NET POSITION - BEGINNING</b>             |                            |                            |                    | <u>87,200</u>  | <u>19,828</u>                   | <u>107,028</u>  |
| <b>NET POSITION - ENDING</b>                |                            |                            |                    | <u>\$75,472</u>  | <u>\$19,192</u>                 | <u>\$94,664</u> |

See accompanying notes and accountant's compilation report.

VILLAGE OF KILBOURNE  
Kilbourne, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2014

|   | General<br>Fund |
|---|-----------------|
| <b>ASSETS</b>   |                 |
| Cash  | \$27,715        |
| Investments   | 11,337          |
| Receivables   | 523             |
| TOTAL ASSETS  | \$39,575        |
| <b>LIABILITIES AND FUND BALANCES</b>  |                 |
| Liabilities:  |                 |
| Accounts payable  | \$440           |
| Due to Sewer Fund   | 3,000           |
| Total liabilities   | 3,440           |
| Fund balance - unassigned   | 36,135          |
| TOTAL LIABILITIES AND<br>FUND EQUITY  | \$39,575        |
| <br><b>Reconciliation of the Balance Sheet of Governmental<br/>Funds To the Statement of Net Position:</b>                        |                 |
| Fund balance - unassigned - Governmental Funds  | \$36,135        |
| Amount reported for net assets of governmental activities<br>in the Statement of Net Position (Statement A) is different because: |                 |
| Capital assets used in governmental activities are not<br>financial resources and therefore are not reported in the fund          | 39,337          |
| Net position of governmental activities (Statement A)   | \$75,472        |

See accompanying notes and accountant's compilation report.

VILLAGE OF KILBOURNE  
Kilbourne, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2014

|   | <u>General<br/>Fund</u> |
|---|-------------------------|
| <b>REVENUES</b>                                 |                         |
| Franchise taxes                                 | \$7,381                 |
| Licenses and permits                            | 8,792                   |
| Fines   | 17,442                  |
| Rent  | 2,500                   |
| Investment earnings                             | 6                       |
| Other revenues                                  | 25                      |
| Total revenues                                  | <u>36,146</u>           |
| <b>EXPENDITURES</b>                             |                         |
| General government:                             |                         |
| Personal services                               | 5,511                   |
| Operating services                              | 26,540                  |
| Other charges                                   | 1,305                   |
| Public safety:                                  |                         |
| Personal services                               | 6,918                   |
| Operating services                              | 2,689                   |
| Total expenditures                              | <u>42,963</u>           |
| <b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b> | <u>(6,817)</u>          |
| <b>OTHER FINANCING SOURCES (USES)</b>           |                         |
| Transfers from Sewer Fund                       | 1,651                   |
| Transfers to Sewer Fund                         | (437)                   |
| Total other financing sources                   | <u>1,214</u>            |
| <b>NET CHANGE IN FUND BALANCE</b>               | (5,603)                 |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>        | <u>41,738</u>           |
| <b>FUND BALANCE AT END OF YEAR</b>              | <u>\$36,135</u>         |

(Continued)

See accompanying notes and accountant's compilation report.

VILLAGE OF KILBOURNE  
 Kilbourne, Louisiana  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
 For the Year Ended June 30, 2014

General  
Fund

**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 - General Fund  | (\$5,603)                |
| Amount reported for governmental activities in the<br>Statement of Activities (Statement B) are different because:   |                          |
| Governmental funds report capital outlays as expenditures.<br>However, in the statement of activities, the cost of those<br>assets is allocated over their estimated useful lives as<br>depreciation expense. This is the amount by which<br>depreciation expense exceeded capital outlay in the current period. |                          |
|  | <u>(6,125)</u>           |
| Change in net position of governmental activities (Statement B)  | <u><u>(\$11,728)</u></u> |

(Concluded)

See accompanying notes and accountant's compilation report.

VILLAGE OF KILBOURNE  
 Kilbourne, Louisiana

STATEMENT OF NET POSITION - BUSINESS-TYPE ACTIVITIES  
 June 30, 2014

|                                       | Sewer<br>Enterprise<br>Fund |
|---------------------------------------|-----------------------------|
|                                       | <u>          </u>           |
| <b>ASSETS</b>                         |                             |
| Cash                                  | \$17,046                    |
| Due from General Fund                 | <u>      3,000</u>          |
| Total assets                          | <u>     20,046</u>          |
| <b>LIABILITIES - accounts payable</b> | <u>          854</u>        |
| <b>NET POSITION - unrestricted</b>    | <u><u>     19,192</u></u>   |

See accompanying notes and accountant's compilation report.

VILLAGE OF KILBOURNE  
Kilbourne, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES  
For the Year Ended June 30, 2014

|  | <u>Sewer<br/>Enterprise<br/>Fund</u> |
|--|--------------------------------------|
| <b>OPERATING REVENUES</b>                |                                      |
| Sewer fees                               | <u>\$27,064</u>                      |
| <b>OPERATING EXPENSES</b>                |                                      |
| Chemicals                                | 3,605                                |
| Utilities                                | 5,626                                |
| Supplies                                 | 13                                   |
| Salaries                                 | 8,900                                |
| Bank charges                             | 36                                   |
| Repairs                                  | 24,900                               |
| Testing fees                             | 2,773                                |
| Depreciation                             | 600                                  |
| Other operating expenses                 | <u>2,684</u>                         |
| Total operating expenses                 | <u>49,137</u>                        |
| <b>OPERATING INCOME (LOSS)</b>           | <u>(22,073)</u>                      |
| <b>NON-OPERATING REVENUES (EXPENSES)</b> |                                      |
| Transfers from General Fund              | 437                                  |
| Transfers to General Fund                | (1,651)                              |
| Gain on sale of fixed asset              | 1,401                                |
| State grant                              | <u>21,250</u>                        |
| Total non-operating revenues             | <u>21,437</u>                        |
| <b>CHANGE IN NET POSITION</b>            | (636)                                |
| <b>NET POSITION - BEGINNING</b>          | <u>19,828</u>                        |
| <b>NET POSITION - ENDING</b>             | <u><u>\$19,192</u></u>               |

See accompanying notes and accountant's compilation report.

VILLAGE OF KILBOURNE  
Kilbourne, Louisiana

STATEMENT OF CASH FLOWS - BUSINESS-TYPE ACTIVITIES  
For the Year Ended June 30, 2014

|   | <u>Sewer<br/>Enterprise<br/>Fund</u> |
|---|--------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                      |
| Receipts from customers   | \$27,064                             |
| Payments to suppliers   | (39,386)                             |
| Payments to employees   | (8,900)                              |
| Net cash used by operating activities   | <u>(21,222)</u>                      |
| <b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>                           |                                      |
| Transfers from General Fund   | 437                                  |
| Transfers to General Fund   | (1,651)                              |
| Proceeds from sale of fixed asset   | 1,651                                |
| State grant   | 21,250                               |
| Net cash provided by non-capital and related financing activities                             | <u>21,687</u>                        |
| <b>NET INCREASE IN CASH</b>   | 465                                  |
| <b>CASH AT BEGINNING OF YEAR</b>  | <u>16,581</u>                        |
| <b>CASH AT END OF YEAR</b>  | <u><u>\$17,046</u></u>               |
| <b>Reconciliation of Operating Income (Loss) to Net Cash<br/>Used by Operating Activities</b> |                                      |
| Operating Loss  | (\$22,073)                           |
| Adjustments:  |                                      |
| Depreciation  | 600                                  |
| Increase in accounts payable  | 251                                  |
| Net cash used by operating activities   | <u><u>(\$21,222)</u></u>             |

See accountant's compilation report and accompanying notes.

VILLAGE OF KILBOURNE  
Kilbourne, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2014

## 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 and general government services to its residents. The village has an elected Chief of Police and one other part-time employee.

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.

See accountant's compilation report.

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 judgements, 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 fund:

**General Fund**

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

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

See accountant's compilation report.

### **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 capital grants and charges to customers for goods, services, or privileges provided. 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. 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, 2014, 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.

#### **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, and equipment 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 are depreciated using the straight-line method over the following useful lives:

|  | <u>Estimated<br/>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 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

See accountant’s compilation report.

VILLAGE OF KILBOURNE  
Notes to the Financial Statements

is the residual classification and represents fund balance that has not been restricted, committed, or assigned to a specific purpose.

At June 30, 2014, the Village’s had only unassigned fund balance in the General Fund.

**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, 2014. 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 and all subsequent amendments during the year.

The following individual fund’s actual revenues and other financing sources failed to meet budgeted revenues and other financing sources for the year ended June 30, 2014:

|              | Original<br>Budget | Final<br>Budget | Actual          | Unfavorable<br>Variance |
|--------------|--------------------|-----------------|-----------------|-------------------------|
| General Fund | <u>\$58,100</u>    | <u>\$58,100</u> | <u>\$37,797</u> | <u>\$20,303</u>         |

See accountant’s compilation report.

VILLAGE OF KILBOURNE  
Notes to the Financial Statements

**3. DEPOSITS IN FINANCIAL INSTITUTIONS**

At June 30, 2014, the village has cash and investments (book balances) as follows:

|                                       |                        |
|---------------------------------------|------------------------|
| Checking accounts                     | \$44,761               |
| Investments - certificates of deposit | <u>11,337</u>          |
| Total                                 | <u><u>\$56,098</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, 2014, the Village of Kilbourne has \$61,710 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, 2014:

|                 |                     |
|-----------------|---------------------|
|                 | General<br>Fund     |
| Franchise taxes | <u><u>\$523</u></u> |

**5. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2014, is as follows:

|  | Balance at<br>July 1,<br>2013 | Increases    | Decreases   | Balance at<br>June 30,<br>2014 |
|--|-------------------------------|--------------|-------------|--------------------------------|
| <b>Governmental activities:</b>        |                               |              |             |                                |
| Capital assets being depreciated:      |                               |              |             |                                |
| Buildings                              | \$94,000                      |              |             | \$94,000                       |
| Equipment                              | 54,148                        |              |             | 54,148                         |
| Total capital assets being depreciated | <u>148,148</u>                | <u>NONE</u>  | <u>NONE</u> | <u>148,148</u>                 |
| Less accumulated depreciation for:     |                               |              |             |                                |
| Buildings                              | 73,033                        | 850          |             | 73,883                         |
| Equipment                              | 29,653                        | 5,275        |             | 34,928                         |
| Total accumulated depreciation         | <u>102,686</u>                | <u>6,125</u> | <u>NONE</u> | <u>108,811</u>                 |

See accountant's compilation report.

VILLAGE OF KILBOURNE  
Notes to the Financial Statements

|  | Balance at<br>July 1,<br>2013 | Increases        | Decreases        | Balance at<br>June 30,<br>2014 |
|--|-------------------------------|------------------|------------------|--------------------------------|
| Total assets being depreciated,<br>net | <u>\$45,462</u>               | <u>(\$6,125)</u> | <u>NONE</u>      | <u>\$39,337</u>                |
| <b>Business-type activities:</b>       |                               |                  |                  |                                |
| Capital assets being<br>depreciated:   |                               |                  |                  |                                |
| Sewer system and<br>improvements       | <u>\$1,341,828</u>            | <u>NONE</u>      | <u>(\$3,000)</u> | <u>\$1,338,828</u>             |
| Less accumulated depreciation<br>for:  |                               |                  |                  |                                |
| Sewer system and<br>improvements       | <u>\$1,340,978</u>            | <u>\$600</u>     | <u>(\$2,750)</u> | <u>\$1,338,828</u>             |
| Total assets being depreciated,<br>net | <u>\$850</u>                  | <u>(\$600)</u>   | <u>(\$250)</u>   | <u>NONE</u>                    |

Depreciation expense of \$974 was charged to the general government function, \$5,151 was charged to public safety function and \$600 was charged to the sewer service business activities function.

**6. 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.

**7. SUBSEQUENT EVENTS**

The Village of Kilbourne has evaluated subsequent events through December 19, 2014, the date which the financial statements were available to be issued.

See accountant's compilation report.

**REQUIRED SUPPLEMENTAL INFORMATION**

See accountant's compilation report.

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, 2014

|  | Budgeted<br>.....Amounts..... |                 | Actual<br>Amounts<br>(Budgetary<br>Basis -<br>GAAP) | Variance<br>with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------------|-----------------|---|--|
|  | Original                      | Final           |   |  |
| <b>REVENUES</b>  |                               |                 |   |  |
| Franchise taxes  | \$7,500                       | \$7,500         | \$7,381   | (\$119)  |
| Licenses and permits                                     | 8,500                         | 8,500           | 8,792   | 292  |
| Fines  | 17,000                        | 17,000          | 17,442  | 442  |
| Rent   |                               |                 | 2,500   | 2,500  |
| Investment earnings                                      | 100                           | 100             | 6   | (94)   |
| Other revenue  | 25,000                        | 25,000          | 25  | (24,975)   |
| Total revenues   | <u>58,100</u>                 | <u>58,100</u>   | <u>36,146</u>                                       | <u>(21,954)</u>  |
| <b>EXPENDITURES</b>                                      |                               |                 |   |  |
| General government:                                      |                               |                 |   |  |
| Personal services  | 4,800                         | 4,800           | 5,511   | (711)  |
| Operating services                                       | 17,750                        | 17,750          | 26,540  | (8,790)  |
| Other charges  | 12,000                        | 12,000          | 1,305   | 10,695   |
| Public safety:   |                               |                 |   |  |
| Personal services  | 6,000                         | 6,000           | 6,918   | (918)  |
| Operating services                                       | 4,000                         | 4,000           | 2,689   | 1,311  |
| Total expenditures                                       | <u>44,550</u>                 | <u>44,550</u>   | <u>42,963</u>                                       | <u>1,587</u>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> |                               |                 |   |  |
|  | <u>13,550</u>                 | <u>13,550</u>   | <u>(6,817)</u>                                      | <u>(20,367)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                               |                 |   |  |
| Transfers from Sewer Fund                                |                               |                 | 1,651   | 1,651  |
| Transfers to Sewer Fund                                  |                               |                 | (437)   | (437)  |
| Total other financing sources                            | <u>NONE</u>                   | <u>NONE</u>     | <u>1,214</u>  | <u>1,214</u>   |
| <b>NET CHANGE IN FUND BALANCE</b>                        | 13,550                        | 13,550          | (5,603)   | (19,153)   |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>                 |                               |                 |   |  |
|  | <u>NONE</u>                   | <u>NONE</u>     | <u>41,738</u>                                       | <u>41,738</u>  |
| <b>FUND BALANCE AT END OF YEAR</b>                       | <u>\$13,550</u>               | <u>\$13,550</u> | <u>\$36,135</u>                                     | <u>\$22,585</u>  |

There were no budget amendments for the year ended June 30, 2014.

See accountant's compilation report.

**OTHER SUPPLEMENTAL INFORMATION SCHEDULES**

See accountant's compilation report.

VILLAGE OF KILBOURNE  
Kilbourne, Louisiana

OTHER SUPPLEMENTAL INFORMATION SCHEDULES  
As of and For the Year Ended June 30, 2014

**STATUS OF PRIOR YEAR FINDINGS**

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2.

**CURRENT YEAR FINDINGS AND  
CORRECTIVE ACTION PLAN**

The corrective action plan for current year findings is presented in Schedule 3.

VILLAGE OF KILBOURNE  
Kilbourne, Louisiana

STATUS OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2014

| Reference Number | Fiscal Year Finding Initially Occurred | Description of Finding   | Corrective Action Taken | Planned Corrective Action  |
|------------------|--|--|-------------------------|----------------------------|
| N/A              | 2013                                   | Actual General Fund revenues and other financing sources failed to meet budgeted revenues and other financing sources by \$6,303 or 11%. | No                      | See current year findings. |

See accountant's compilation report.

VILLAGE OF KILBOURNE  
Kilbourne, Louisiana

CURRENT YEAR FINDINGS AND  
CORRECTIVE ACTION PLAN  
For the Year Ended June 30, 2014

| <u>Reference<br/>Number</u> | <u>Description of Finding</u>   | <u>Corrective<br/>Action<br/>Planned</u>  | <u>Name of<br/>Contact Person</u> | <u>Anticipated<br/>Completion<br/>Date</u> |
|-----------------------------|---|---|-----------------------------------|--|
| N/A                         | Actual General Fund revenues and other financing sources failed to meet budgeted revenues and other financing sources by \$20,303 or 35%. | In the future, a budget amendment will be adopted when actual General Fund revenues and other financing sources fail to meet budgeted revenues and other financing sources by 5% or more. | Susan Hodgkins,<br>Clerk          | 6/30/2015                                  |

See accountant's compilation report.