

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

Annual Financial Statements

As of and for the Year Ended
June 30, 2019

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

Annual Financial Statements

As of and for the Year Ended June 30, 2019

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VILLAGE OF KILBOURNE
Kilbourne, Louisiana
Annual Financial Statements
As of and for the Year Ended June 30, 2019

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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

Accountant's Compilation Report

MAYOR AND BOARD OF ALDERMEN
VILLAGE OF KILBOURNE
Kilbourne, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities, the business-type activities, and major funds of the Village of Kilbourne (the "Village"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head and board of commissioners and the schedule of prior year findings are presented for purpose of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. The information was subject to my compilation engagement, but I have not audited or reviewed the supplementary information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

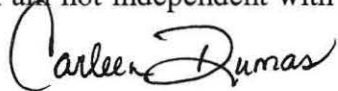
Required Supplementary Information

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 is presented for purposes of additional analysis and, 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. This information is the representation of management. I have not performed, an audit or review on the required supplementary information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

MAYOR AND BOARD OF ALDERMEN
VILLAGE OF KILBOURNE
Kilbourne, Louisiana

Management has the 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

I am not independent with respect to the Village of Kilbourne.

A handwritten signature in black ink that reads "Carleen Dumas". The signature is written in a cursive style with a large initial "C".

Calhoun, Louisiana
December 17, 2019

BASIC FINANCIAL STATEMENTS

VILLAGE OF KILBOURNE
Kilbourne, Louisiana
STATEMENT OF NET POSITION
June 30, 2019

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS- TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash	\$11,107	\$21,897	\$33,004
Investments	11,503		11,503
Receivables	363	2,350	2,713
Internal balances	(3,442)	3,442	
Capital assets (net)	<u>32,582</u>	<u>165,936</u>	<u>198,518</u>
TOTAL ASSETS	<u>52,113</u>	<u>193,625</u>	<u>245,738</u>
LIABILITIES - accounts payable	<u>2,480</u>	<u>2,672</u>	<u>5,152</u>
NET POSITION			
Net investment in capital assets	32,582	165,936	198,518
Unrestricted	<u>17,051</u>	<u>25,017</u>	<u>42,068</u>
TOTAL NET POSITION	<u><u>\$49,633</u></u>	<u><u>\$190,953</u></u>	<u><u>\$240,586</u></u>

See accompanying notes and accountant's compilation report.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Program Services.....				Net (Expense) Revenue andChanges in Net Position.....		
	Expenses	Charges for Services	Operating Grant	Capital Grant	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
General government	\$36,470	\$4,580	\$152	\$8,141	(\$23,597)		(\$23,597)
Public safety - police	30,241	34,018			3,777		3,777
Public works				3,125	3,125		3,125
Total governmental activities	<u>66,711</u>	<u>38,598</u>	<u>152</u>	<u>11,266</u>	<u>(16,695)</u>	<u>NONE</u>	<u>(16,695)</u>
BUSINESS-TYPE ACTIVITIES:							
Sewer service	40,439	33,777				(\$6,662)	(6,662)
Total business-type activities	<u>\$107,150</u>	<u>\$72,375</u>	<u>\$152</u>	<u>\$11,266</u>	<u>(16,695)</u>	<u>(6,662)</u>	<u>(23,357)</u>
GENERAL REVENUES, TRANSFERS, AND SPECIAL ITEMS:							
Franchise taxes					6,392		6,392
Occupational licenses					11,246		11,246
Investment earnings					144		144
Other general revenues					84		84
Transfers					7,977	(7,977)	
Special item - transfer of completed sewer project from LCDBG Capital Projects Fund					(172,850)	172,850	
Total general revenues, transfers, and special items					<u>(147,007)</u>	<u>164,873</u>	<u>17,866</u>
CHANGE IN NET POSITION					<u>(163,702)</u>	<u>158,211</u>	<u>(5,491)</u>
NET POSITION - BEGINNING					<u>213,335</u>	<u>32,742</u>	<u>246,077</u>
NET POSITION - ENDING					<u>\$49,633</u>	<u>\$190,953</u>	<u>\$240,586</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2019

	<u>General Fund</u>
ASSETS	
Cash	\$11,107
Investments	11,503
Receivables	<u>363</u>
TOTAL ASSETS	<u><u>\$22,973</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$2,480
Due to Sewer Fund	<u>3,442</u>
Total liabilities	5,922
Fund balance - unassigned	<u>17,051</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$22,973</u></u>
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position:	
Total fund balance - Governmental Funds	\$17,051
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	<u>32,582</u>
Net position of governmental activities (Statement A)	<u><u>\$49,633</u></u>

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, 2019

	General Fund	LCDBG Capital Projects Fund	Total
REVENUES			
Franchise taxes	\$6,392		\$6,392
Licenses and permits	11,246		11,246
Intergovernmental:			
State grants	8,293		8,293
Federal grant		\$3,125	3,125
Fines	34,018		34,018
Rent	3,500		3,500
Mowing	1,080		1,080
Investment earnings	144		144
Other revenues	84		84
Total revenues	<u>64,757</u>	<u>3,125</u>	<u>67,882</u>
EXPENDITURES			
General government:			
Personal services	7,834		7,834
Operating services	23,764	161	23,925
Other charges	2,110		2,110
Public safety:			
Personal services	25,416		25,416
Operating services	4,236		4,236
Capital outlay	8,141	3,125	11,266
Total expenditures	<u>71,501</u>	<u>3,286</u>	<u>74,787</u>
EXCESS(Deficiency) OF REVENUES OVER EXPENDITURES	(6,744)	(161)	(6,905)
OTHER FINANCING SOURCE - transfer from Sewer Fund	<u>7,977</u>		<u>7,977</u>
CHANGE IN FUND BALANCE	1,233	(161)	1,072
FUND BALANCE AT BEGINNING OF YEAR	<u>15,818</u>	<u>161</u>	<u>15,979</u>
FUND BALANCE AT END OF YEAR	<u>\$17,051</u>	<u>NONE</u>	<u>\$17,051</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, 2019

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 \$1,072

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.

8,076

The transfer of the completed sewer improvement
 project to the Sewer Fund from the LCDBG
 Capital Projects Fund does not require the use of current
 financial resources and therefore is not reported as an
 expenditure in the governmental funds.

(172,850)

Change in net position of governmental activities (Statement B)

(\$163,702)

(Concluded)

See accompanying notes and accountant's compilation report.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

STATEMENT OF NET POSITION - BUSINESS-TYPE ACTIVITIES
June 30, 2019

	<u>Sewer Enterprise Fund</u>
ASSETS	
Current assets:	
Cash	\$21,897
Accounts receivable (net of allowance for doubtful accounts)	\$2,350
Due from General Fund	<u>3,442</u>
Total current assets	27,689
Noncurrent assets - capital assets (net of accumulated depreciation)	<u>165,936</u>
Total assets	<u>193,625</u>
LIABILITIES - accounts payable	<u>2,672</u>
NET POSITION	
Net investment in capital assets	165,936
Unrestricted	<u>25,017</u>
Total net position	<u><u>\$190,953</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, 2019

	<u>Sewer Enterprise Fund</u>
OPERATING REVENUES	
Sewer fees	<u>\$33,777</u>
OPERATING EXPENSES	
Utilities	2,656
Salaries	4,423
Repairs and maintenance	15,930
Office expense	206
Insurance	8,922
Supplies	49
Dues and fees	895
Testing fees	444
Depreciation	<u>6,914</u>
Total operating expenses	<u>40,439</u>
OPERATING INCOME (Loss)	(6,662)
NON-OPERATING EXPENSE - transfer to General Fund	(7,977)
SPECIAL ITEM - transfer of completed sewer project from LCDBG Capital Projects Fund	<u>172,850</u>
CHANGE IN NET POSITION	158,211
NET POSITION - BEGINNING	<u>32,742</u>
NET POSITION - ENDING	<u><u>\$190,953</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, 2019

	<u>Sewer Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$31,427
Payments to suppliers	(26,760)
Payments to employees	<u>(4,423)</u>
Net cash provided by operating activities	244
CASH FLOWS FROM NON- OPERATING ACTIVITIES - transfer to General Fund	<u>(7,977)</u>
DECREASE IN CASH	(7,733)
CASH AT BEGINNING OF YEAR	<u>29,630</u>
CASH AT END OF YEAR	<u><u>\$21,897</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Income (Loss)	(\$6,662)
Adjustments:	
Depreciation expense	6,914
Increase in accounts receivable	(2,350)
Increase in accounts payable	<u>2,342</u>
Net cash provided by operating activities	<u><u>\$244</u></u>

See accompanying notes and accountant's compilation report.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2019

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 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.

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 project

VILLAGE OF KILBOURNE
Notes to the Financial Statements

was completed during the year ended June 30, 2019, and the fund was closed and the assets were transferred to the Sewer Enterprise Fund.

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, 2019, 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

VILLAGE OF KILBOURNE
Notes 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 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

VILLAGE OF KILBOURNE
Notes to the Financial Statements

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, 2019, 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, 2019. 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 budget amendments during the year.

The following individual fund's actual expenditures exceeded budgeted expenditures for the year ended December 31, 2018:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	<u>\$70,300</u>	<u>\$65,700</u>	<u>\$71,501</u>	<u>\$5,801</u>

VILLAGE OF KILBOURNE
Notes to the Financial Statements

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At June 30, 2019, the village has cash and investments (book balances) as follows:

Checking accounts	\$33,004
Investments - certificates of deposit	<u>11,503</u>
Total	<u><u>\$44,507</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, 2019, the Village of Kilbourne had \$52,348 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, 2019:

	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Franchise taxes	\$363		\$363
Sewer fees		\$2,350	2,350
	<u>\$363</u>	<u>\$2,350</u>	<u>\$2,713</u>

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2019, is as follows:

	<u>Balance at July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2019</u>
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	<u>\$169,725</u>	<u>\$3,125</u>	<u>(\$172,850)</u>	<u>NONE</u>
Capital assets being depreciated:				
Buildings	\$94,000			\$94,000
Equipment	<u>71,133</u>	<u>8,141</u>		<u>79,274</u>
Total capital assets being depreciated	<u>165,133</u>	<u>8,141</u>	<u>NONE</u>	<u>173,274</u>

VILLAGE OF KILBOURNE
Notes to the Financial Statements

	Balance at July 1, 2018	Increases	Decreases	Balance at June 30, 2019
Less accumulated depreciation for:				
Buildings	\$77,283	\$850		\$78,133
Equipment	60,219	2,340		62,559
Total accumulated depreciation	<u>137,502</u>	<u>3,190</u>	NONE	<u>140,692</u>
Total assets being depreciated, net	<u>27,631</u>	<u>4,951</u>	NONE	<u>32,582</u>
Total assets, net	<u><u>\$197,356</u></u>	<u><u>\$8,076</u></u>	<u><u>NONE</u></u>	<u><u>\$32,582</u></u>

Business-type activities:

Capital assets being depreciated:				
Sewer system and improvements	<u>\$1,338,828</u>	<u>\$172,850</u>	NONE	<u>\$1,511,678</u>
Less accumulated depreciation for:				
Sewer system and improvements	<u>1,338,828</u>	<u>6,914</u>	NONE	<u>1,345,742</u>
Total assets being depreciated, net	<u><u>NONE</u></u>	<u><u>\$165,936</u></u>	<u><u>NONE</u></u>	<u><u>\$165,936</u></u>

Depreciation expense of \$2,601 was charged to the general government function, \$589 was charged to public safety function, and \$6,914 was charged to business-type activities.

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. 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.

VILLAGE OF KILBOURNE
Notes to the Financial Statements

8. SUBSEQUENT EVENTS

The Village of Kilbourne has evaluated subsequent events through December 17, 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, 2019

	BudgetedAmounts.....		Actual Amounts (Budgetary Basis - GAAP)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Franchise taxes	\$10,800	\$10,800	\$6,392	(\$4,408)
Licenses and permits	10,500	11,000	11,246	246
Intergovernmental revenue - state grant			8,293	8,293
Fines	39,000	36,000	34,018	(1,982)
Rent			3,500	3,500
Mowing			1,080	1,080
Investment earnings	100	100	144	44
Other revenue	10,000	8,000	84	(7,916)
Total revenues	<u>70,400</u>	<u>65,900</u>	<u>64,757</u>	<u>(1,143)</u>
EXPENDITURES				
General government:				
Personal services	6,600	6,600	7,834	(1,234)
Operating services	26,900	23,300	23,764	(464)
Other charges	10,000	8,000	2,110	5,890
Public safety:				
Personal services	22,800	22,800	25,416	(2,616)
Operating services	4,000	5,000	4,236	764
Capital outlay			8,141	(8,141)
Total expenditures	<u>70,300</u>	<u>65,700</u>	<u>71,501</u>	<u>(5,801)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	100	200	(6,744)	(6,944)
OTHER FINANCING SOURCE - transfer from Sewer Fund			7,977	7,977
CHANGE IN FUND BALANCE	100	200	1,233	1,033
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>15,818</u>	<u>15,818</u>
FUND BALANCE AT END OF YEAR	<u>\$100</u>	<u>\$200</u>	<u>\$17,051</u>	<u>\$16,851</u>

There was one budget amendment during the year ended June 30, 2019.

OTHER SUPPLEMENTAL INFORMATION SCHEDULES

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

OTHER SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2019

**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 Louisiana Revised Statute 24:513 A (3) 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, 2019

COMPENSATION

Agency Head - Toni Shumate - Mayor	\$1,834
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, 2019

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Status of Finding
2018-001	2016	Actual General Fund revenues were \$12,067 (16%) less than budgeted revenues.	Resolved.
2018-002	2018	Village paid employees' share of social security and medicare taxes.	Unresolved - see current year finding 2019-002.
2018-003	2018	Noncompliance with Louisiana Audit Law	Resolved.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2019

2019-001. Noncompliance with Local Government Budget Act

Criteria: L.R.S 39:1310 requires that the Village amend the adopted budget when actual expenditures exceed budgeted expenditures by 5% or more.

Condition: Actual expenditures were \$5,801 (9%) more than budgeted expenditures.

Cause: Management of the Village failed to include grant expenditures in budgeted expenditures.

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

Recommendation: The Village should adopt a budget amendment when actual expenditures exceed budgeted expenditures by 5% or more.

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

2019-002. 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 \$1,975 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.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2019

Cause: Management of the Village was unaware that the Village's payment of the employees' share of payroll taxes may violate state law until March 30, 2019 when they were made aware of it.

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.