

**KILBOURNE VOLUNTEER
FIRE DISTRICT**

Kilbourne, Louisiana

**General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
June 30, 2005**

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 2-15-06

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KILBOURNE, LA**

General Purpose Financial Statements
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As of and for the Year Ended June 30, 2005

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ACCOUNTANT'S COMPILATION REPORT

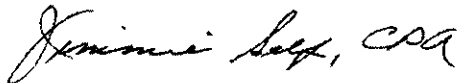
Board of Directors
Kilbourne Volunteer Fire District
Kilbourne, Louisiana

I have compiled the accompanying general purpose financial statements and supplementary information schedules as listed in the foregoing Table of Contents of the Kilbourne Volunteer Fire District, a component unit of the West Carroll Parish Police Jury, as of and for the year ended June 30, 2005, in accordance with "Statements on Standards for Accounting and Review Services" issued by the American Institute of Certified Public Accountants.

The Kilbourne Volunteer Fire District did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended June 30, 2005. The effects of this departure from generally accepted accounting principles has not been determined.

A compilation is limited to presenting in the form of financial statements and supplementary information schedules information that is the representation of management of the Kilbourne Volunteer Fire District. I have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Respectfully submitted,



JIMMIE SELF, CPA
Monroe, Louisiana
December 16, 2005

GENERAL PURPOSE FINANCIAL STATEMENTS

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, LA

STATEMENT A

ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
June 30, 2005

	Governmental Fund Type	ACCOUNT GROUPS		Totals Memorandum Only
		General Fixed Assets	General Long-Term Debt	
	General Fund			
<u>ASSETS AND OTHER DEBITS</u>				
Cash in Bank	\$ 26,491	\$ -	\$ -	\$ 26,491
Investments	46,725	-	-	46,725
Accounts Receivable	-	-	-	-
Land, Buildings, and Equipment	-	626,320	-	626,320
Amount to be Provided for retirement of General Long-Term Debt	-	-	47,010	47,010
TOTAL ASSETS AND OTHER DEBITS	\$ 73,216	\$ 626,320	\$ 47,010	\$ 746,546
<u>LIABILITIES AND FUND EQUITY:</u>				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Lease Payable	-	-	47,010	47,010
TOTAL LIABILITIES	-	-	47,010	47,010
FUND EQUITY				
Investments in General Fixed Assets	-	626,320	-	626,320
FUND BALANCE				
Undesignated	-	-	-	-
TOTAL FUND BALANCE	73,216	626,320	47,010	746,546
TOTAL LIABILITIES AND FUND EQUITY	\$ 73,216	\$ 626,320	\$ 47,010	\$ 746,546

SEE ACCOMPANYING NOTES AND 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
June 30, 2005

REVENUES

West Carroll Parish Police Jury Sales Tax	\$ 45,841
2% Insurance Rebate	\$ 5,119
Forestry Grant	288
Interest	826
Miscellaneous	4,364
Beginning Accounts Receivable	\$ (3,854)
	<u>52,584</u>

EXPENDITURES

Current - Public Safety:	
Operating services	36,262
Material and Supplies	1,830
Maintenance of Equipment	6,868
Utilities	4,983
Interest	15,000
Beginning Accounts Payable	(677)
Total Expenditures	<u>64,266</u>

EXCESS OF EXPENDITURES OVER REVENUES (11,682)

FUND BALANCE AT BEGINNING OF YEAR 84,898
FUND BALANCE AT END OF YEAF \$ 73,216

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S COMPILATION REPORT.

**KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, LA**

STATEMENT C

**GOVERNMENTAL FUND TYPE - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
June 30, 2005**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
West Carroll Parish Police Jury Sales Tax	\$ 45,600	\$ 45,841	\$ 241
2% Insurance Rebate	5,000	5,119	119
Forestry Grant	288	288	-
Interest	850	826	(24)
Miscellaneous	-	4,364	4,364
Beginning Accounts Receivable	-	(3,854)	(3,854)
Total Revenues	<u>51,738</u>	<u>52,584</u>	<u>846</u>
EXPENDITURES			
Current - Public Safety:			
Operating services	49,335	36,262	13,073
Material and Supplies	2,500	1,830	670
Maintenance of Equipment	8,050	6,868	1,182
Utilities	3,300	4,983	(1,683)
Interest	-	15,000	(15,000)
Beginning Accounts Payable	-	(677)	677
Total Expenditures	<u>63,185</u>	<u>64,266</u>	<u>1,081</u>
EXCESS OF EXPENDITURES OVER REVENUES	(11,447)	(11,682)	235
FUND BALANCE AT BEGINNING OF YEAR	84,898	84,898	84,898
FUND BALANCE AT END OF YEAR	<u>\$ 73,451</u>	<u>\$ 73,216</u>	<u>\$ 85,133</u>

SEE ACCOMPANYING NOTES AND 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, 2005

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. It 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.

The management of the Kilbourne Volunteer Fire District has elected not to issue this Compilation/Attestation in compliance with the GASB Statement No. 34, availing itself of the exception allowed by the Louisiana Revised Statutes 24:513 and 24:514 which was stated in a letter to that effect dated August 24, 2004 from the Louisiana Legislative Auditor's office in Baton Rouge. The effects of this departure from generally accepted accounting principles has not been determined

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general-purpose financial statements of the Kilbourne Volunteer Fire District have 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.

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 includes:

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

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2005

and/or

- b. The potential for the organization to provide specific financial benefits 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

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2005

resources measurement focus. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements for these 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 2004-2005 budget showed that the amounts budgeted for the year fell within the 5% variance as required.

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.

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, 2005

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. 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 Special Risk Insurance, Inc, 9456 Jefferson Highway, 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, 2005.

J. FIXED ASSETS

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

K. 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.

L. 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

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2005

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

M. 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. This tax is divided among the fire protection districts for this purpose and is collected and distributed among the various fire districts of the parish on a monthly basis by the Police Jury. These funds are deposited into a checking account in the Hibernia National Bank in Oak Grove, LA.

N. 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.

O. 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 Hibernia Bank and the West Carroll Community Bank in Oak Grove, Louisiana. The district had balances respectively of \$26,589 and \$1277 for a total balance in its accounts on June 30, 2005 of \$27,866. The accounts are insured by the FDIC in amounts up to \$100,000 and are sufficiently collateralized.

NOTE 3. INVESTMENTS

The Kilbourne Volunteer Fire District has certificates of deposit in the West Carroll Community Bank of Oak Grove, LA, and The Eudora Bank of Eudora, AR. These are stated at cost on the enclosed statements. The certificates of deposit had a balance of \$15,805 and \$30,919 on June 30, 2005 for a total investment value of \$46,725. All

KILBOURNE VOLUNTEER FIRE DISTRICT
 Kilbourne, Louisiana
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2005

accounts are insured by the FDIC in amounts up to \$100,000 and are sufficiently collateralized.

NOTE 4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance June 30,2004	Additions	Deletions	Balance June 30,2005
Fixed Assets	626,320	0	0	626,320
Total	<u>626,320</u>	<u>0</u>	<u>0</u>	<u>626,320</u>

NOTE 5. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended June 30, 2005:

Capital Lease	
Long-term debt payable @ 6/30/2004	\$ 61,034
Additions	0
Reductions	(13,749)
Long-term debt payable 6/30/2005	<u>\$ 47,010</u>

NOTE 6. CAPITAL LEASE

The District records items under capital leases as an asset and an obligation in the accompanying financial statements. During 1999, the district entered into a capital lease for a fire truck. The lease had an original recorded amount of \$128,200. Lease obligations are retired from the General Fund. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments as of June 30, 2005:

2006	17,131
2007	17,131
2008	17,131
Total	<u>51,393</u>
Less amount representing interest	(4383)
Present value of net minimum lease payments	<u>\$ 47,010</u>

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2005

NOTE 7. RELATED PARTY TRANSACTIONS

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

NOTE 8. LITIGATION AND CLAIMS

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

NOTE 9. SUBSEQUENT EVENTS

There were no events that occurred after year end and the issuing of this report that would materially affect the financial statements as issued.

SUPPLEMENTARY INFORMATION SCHEDULE

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana

Schedule 1

SCHEDULE OF COMPENSATION PAID COMMISSIONERS
For the year ended June 30, 2005

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:

James E. Stephens – President

Howard Tullos – Fire Chief

Paul W. Hays – Board Member

Roger Maxwell – Board Member

Donald K. Murray – Board Member

LOUISIANA ATTESTATION QUESTIONNAIRE

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

KILBOURNE VOLUNTEER FIRE DISTRICT
P. O. BOX 502
KILBOURNE, LA 71253

June 19, 2005

Jimmie Self, CPA, APAC
2908 Cameron Street
Monroe, LA 71201

Dear Ms. Self,

In connection with your compilation of our financial statements as of **JUNE 30, 2005** and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of **JUNE 30, 2005**.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No

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

Yes No

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

Yes No

Meetings

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

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Ramon Muga Secretary 11-17-2005 Date

Treasurer _____ Date

President _____ Date