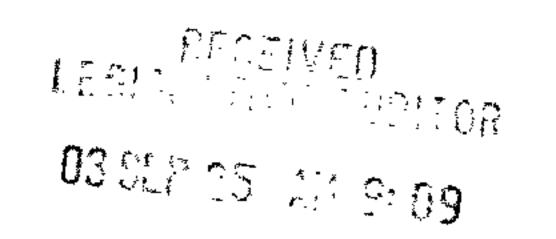
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#### VILLAGE OF KILBOURNE Kilbourne, Louisiana

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**Annual Financial Statements** 

### As of and for the Year Ended June 30, 2003

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Under provisions of state law this report is a public document Adding of the report hos been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Recipe office of the Legislative Additor and, where appropriate at the office of the parish clerk of court.

Release Date 6.9.04



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



VILLAGE OF KILBOURNE Kilbourne, Louisiana

Annual Financial Statements

As of and for the Year Ended June 30, 2003

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VILLAGE OF KILBOURNE Kilbourne, Louisiana Annual Financial Statements As of and for the Year Ended June 30, 2003

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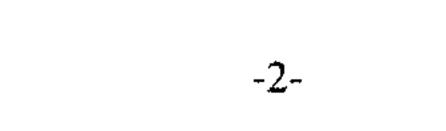
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M. Carleen Dumas

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

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I have compiled the accompanying basic financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the Village of Kilbourne as of June 30, 2003, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

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

As described in Note 1 to the basic financial statements, the Village of Kilbourne adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2003. This results in a change in the format and content of the basic financial statements for the year ended June 30, 2003.

Calhoun, Louisiana September 10, 2003



MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS MEMBER OF THE SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

#### VILLAGE OF KILBOURNE Kilbourne, Louisiana

#### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2003

Our discussion and analysis of the Village of Kilbourne's (hereafter referred to as the Village) financial performance provides an overview of the Village's financial activities for the fiscal year ended June 30, 2003. Please read it in conjunction with the Village's financial statements that begin on page 9.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities on pages 8 and 9 provide information about the activities of the Village as a whole. Fund financial statements begin on page 10. For governmental activities, these statements provide information on how the general activities of the Village are financed in the short term as well as what remains for future spending. Fund financial statements report the Village's operations in more detail than the government-wide statements.

#### **Reporting the Village as a Whole - The Statement of Net Assets and the Statement of Activities**

Our analysis of the Village as a whole begins on page 8 with the Statement of Net Assets and on page 9 with the Statement of Activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Village's *net assets* and the changes in them. Net assets - the difference between assets (what the Village owns) and liabilities (what the Village owes) is a way to measure the financial position of the Village. Over time, increases or decreases in the Village's net assets are an indicator of whether the Village's financial position is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, the Village is divided into two kinds of activities:

Governmental activities - all of the Village's governmental services are reported here including the police department, fire department, and general administration.

Business-type activities - the Village's sewer system is reported here.

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#### VILLAGE OF KILBOURNE Kilbourne, Louisiana MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2003

#### **Reporting the Village's Funds - Fund Financial Statements**

Our analysis of the Village's funds begins on page 10. The fund financial statements provide more detailed information about the Village's funds. The Fire Department and Police Department special revenue funds and the Sewer Enterprise Fund were established by the Village to help it control and manage money for particular purposes. The Fire Department and Police Department special revenue funds were closed during the year ended June 30, 2003 and the remaining funds were transferred to the General Fund. All future expenditures for fire and police protection will be made from the General Fund. The Village's two kinds of funds - governmental and business type funds use different accounting methods.

Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Village's operations. Governmental fund information helps to determine whether there are more or fewer financial resources that are available to be spent in the near future. The differences between governmental activities reported in the Statement of Net Assets and the Statement of Activities and governmental funds are reported in a reconciliation at the bottom of the fund financial statements.

Business-type activities funds are reported in the same way that the activities are reported in the Statement of Net Assets and the Statement of Activities.

#### COMPARATIVE ANALYSIS OF FINANCIAL DATA

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The current year is the first period that the Village has applied Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion* and Analysis - for State and Local Governments. Therefore, prior year information derived from government-wide financial statements is not available. In future years, when prior-year information is available, a comparative analysis of government-wide data will be presented.

The prior year financial statements are not available, therefore, it is not feasible to compare

#### current year activity with prior year information.

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VILLAGE OF KILBOURNE Kilbourne, Louisiana MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2003

#### **OVERALL FINANCIAL POSITION**

The Village's net assets decreased \$61,482 as a result of this year's operations. The majority of this decrease resulted from depreciation expense in the Sewer Enterprise Fund. Unrestricted net assets (those assets available to finance the daily operations of the Village) were \$19,861 at year end. The amount invested in capital assets was \$544,944 at year end.

#### VILLAGE'S FUNDS

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At the end of the year, the Village's General Fund reported an unreserved fund balance of \$20,747. The increase in unreserved fund balance for 2003 was \$214. The Sewer Enterprise Fund reported net assets of \$495,450 at year end. The decrease in net assets was \$54,169 for 2003. The decrease in net assets was a result of depreciation expense in the Sewer Enterprise Fund of \$53,553.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The Village did not amend the General Fund budget during the year. At year end, actual revenues were \$1,705 more than budgeted revenues and actual expenditures were \$2,754 more than budgeted expenditures. The Village prepares its General Fund budget on the modified accrual basis of accounting.

#### CAPITAL ASSETS AND DEBT

#### **Capital Assets**

At the end of the year, the Village had capital assets (net of accumulated depreciation) totaling \$564,575. Capital assets include the sewer system and improvements, buildings, and equipment costing \$500 or more. There were no additions to fixed assets during the year. Additional information about the Village's capital assets is presented in Note 6 to the financial statements.

#### Debt

At year end the Village had \$26,131 in loans payable. The Village has a short-term bank loan in the amount of \$6,500 that was obtained during the year ended June 30, 2003 to help fund the operations of the General Fund. Additional information about the Village's debt is presented in

#### Note 6 to the financial statements.

#### -6-

VILLAGE OF KILBOURNE Kilbourne, Louisiana MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2003

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#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village expects its 2004 General Fund revenues and expenditures to remain fairly constant next year. The Village expects the revenues and expenses of the Sewer Enterprise Fund to remain fairly constant for 2004.

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Statement A

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#### VILLAGE OF KILBOURNE Kilbourne, Louisiana

#### STATEMENT OF NET ASSETS June 30, 2003

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	GOVERNMENTAL <u>ACTIVITIES</u>	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$10,941	\$686	\$11,627
Investments	12,364		12,364
Receivables		2,370	2,370
Internal balances	3,942	(3,942)	
Capital assets (net)	68,239	496,336	564,575

TOTAL ASSETS	95,486	495,450	<b>590,</b> 936
LIABILITIES Loans payable	26,131	NONE	26,131
NET ASSETS Invested in capital assets (net of related debt) Unrestricted (deficit)	48,608 20,747	496,336 (886)	544,944 19,861
TOTAL NET ASSETS	<u>\$69,355</u>	<u>\$495,450</u>	\$564,805

-8-

See accompanying notes and accountant's compilation report.

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# Statement B

ts	(\$26,183) 1.679 (24,504)	(54,169) (78,673)	6,248 8,052 8,052 216 216 216 216 216 216 216 216 216 21
Net (Expense) Revenue and Changes in Net Assets Business- ities Activities	NONE	(\$54,169) (54,169)	NONE (54,169) 549,619 \$495,450
Net (Ex Chan Governmental Activities	(\$26,183) 1,679 (24,504)	(24,504)	6,248 8,052 216 216 216 (7,313) 76,668 \$69,355 \$69,355
Program tevenues - Charges for Services	\$3,364 3,364	20,960 \$24,324	

# ž For the Year Ended June 30, 2003 STATEMENT OF ACTIVITIES VILLAGE OF KILBOURNE S102,997 75,129 \$26,183 1,685 27,868 Expenses Kilbourne, Louisiana

....

and accountant's compilation report. See accompanying notes 9

**NET ASSETS - BEGINNING** Total general revenues CHANGE IN NET ASSETS **NET ASSETS - ENDING** Other general revenues

**GENERAL REVENUES:** Occupational licenses Investment earnings Franchise taxes

Total governmental activities **BUSINESS-TYPE ACTIVITIES:** Total government Sewer service

**GOVERNMENTAL ACTIVITIES:** Public safety - police General government

Statement C

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#### VILLAGE OF KILBOURNE Kilbourne, Louisiana

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#### BALANCE SHEET - GOVERNMENTAL FUNDS June 30, 2003

	General Fund
ASSETS	
Cash	\$10,941
Investments	12,364
Due from other funds	3,942
TOTAL ASSETS	<u>\$27,247</u>
LIABILITIES AND FUND BALANCES	

Liabilities - bank loan payable - current	\$6,500
Fund balance - unreserved	20,747
TOTAL LIABILITIES AND	
FUND EQUITY	<u>\$27,247</u>
Reconciliation of the Balance Sheet of Governmental	
Funds To the Statement of Net Assets:	
Fund balances - unreserved - Governmental Funds	\$27,247
Amount reported for net assets of governmental activities	
in the Statement of Net Assets (Statement A) is different because:	
Capital assets used in governmental activities are not	
financial resources and therefore are not reported in the fund	68,239
Long-term liabilities such as loans payable are not due and	
payable in the current period and, therefore, are not	
reported in the governmental funds	(26,131)
Net assets of governmental activities (Statement A)	\$69,355
$\mathbf{v}$	

#### See accompanying notes and accountant's compilation report.

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#### Statement D

#### VILLAGE OF KILBOURNE Kilbourne, Louisiana

#### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS For the Year Ended June 30, 2003

	General Fund	Fire Department Special Revenue Fund	Police Department Special Revenue Fund	Total Governmental <u>Funds</u>
REVENUES		·		
Franchise taxes	\$6,248			\$6,248
Licenses and permits	8,052			8,052
Fines	3,364			3,364
Investment earnings	216			216
Other revenues	2,675_			2,675
Total revenues	20,555	NONE	NONE	20,555
EXPENDITURES				
General government:				
Personal services	3,200			3,200
Operating services	10,629			10,629
Other charges	1,957			1,957
Public safety -operating services	1,685			1,685
Debt service	5,183			5,183
Total expenditures	22,654	NONE	NONE	22,654
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(2,099)	NONE	NONE	(2,099)
OTHER FINANCING SOURCES				
Transfers in	2,313			2,313
Transfers out		(1,108)	(1,205)	(2,313)
Total other financing sources	2,313	(1,108)	(1,205)	NONE
NET CHANGE IN FUND BALANCE	214	(1,108)	(1,205)	(2,099)
FUND BALANCE AT BEGINNING OF YEAR	20,533	1,108	1,205	22,846
FUND BALANCE AT END OF YEAR	\$20,747	NONE	NONE	<u>\$20,747</u>

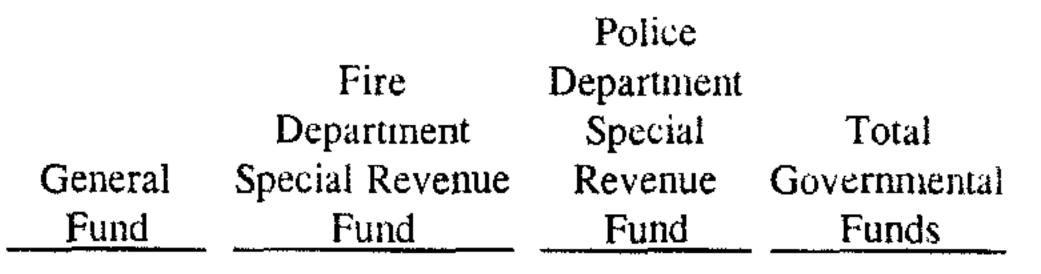
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See accompanying notes and accountant's compilation report.

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Statement D

VILLAGE OF KILBOURNE Kilbourne, Louisiana STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND For the Year Ended June 30, 2003



Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities:
Net change in fund balances - Total Governmental Funds
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 depreciation expense exceeded capital outlay in the current period.

The repayment of the principal of long-term debt consumes current financial resources of governmental funds, however, these repayments have no effect on net assets.

Change in net assets of governmental activities (Statement B)

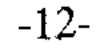
(8,494)

(\$2,099)

<u>3,280</u> (\$7,313)

#### (Concluded)

#### See accompanying notes and accountant's compilation report.



Statement E

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#### VILLAGE OF KILBOURNE Kilbourne, Louisiana

#### STATEMENT OF NET ASSETS - BUSINESS-TYPE ACTIVITIES June 30, 2003

Sewer Enterprise Fund

#### ASSETS Current assets: Cash Accounts receivable Total current assets

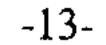
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\$686 <u>2,370</u> 3,056

496,336
499,392
3,942
496,336
(886)
\$495,450

See accompanying notes and accountant's compilation report.



Statement F

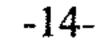
#### VILLAGE OF KILBOURNE Kilbourne, Louisiana

#### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUSINESS-TYPE ACTIVITIES For the Year Ended June 30, 2003

	Sewer Enterprise Fund
OPERATING REVENUES	
Sewer fees	<b>\$20,960</b>
OPERATING EXPENSES	
Maintenance	6,171
Utilities	5,347
Materials and supplies	4,686
Postage	222
Salaries	1,200
Legal fees	310
Testing fees	3,335
Depreciation	53,553
Other operating expenses	305
Total operating expenses	75,129
CHANGE IN NET ASSETS	(54,169)
NET ASSETS - BEGINNING	549,619
NET ASSETS - ENDING	<u>\$495,450</u>

See accompanying notes and accountant's compilation report.

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Statement G

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#### VILLAGE OF KILBOURNE Kilbourne, Louisiana

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#### STATEMENT OF CASH FLOWS - BUSINESS-TYPE ACTIVITIES For the Year Ended June 30, 2003

	Sewer
	Enterprise
	Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$21,285
Payments to suppliers	(20,376)
Payments to employees	(1,200)
Net cash used by operating activities	(291)

CASH AT BEGINNING OF YEAR	977
CASH AT END OF YEAR	<u>\$686</u>
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities	
Operating Loss	(\$54,169)
Adjustments:	
Depreciation	53,553
Decrease in accounts receivable	325
Total adjustments	53,878
Net cash used by operating activities	(\$291)

See accountant's compilation report and accompanying notes.

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#### VILLAGE OF KILBOURNE Kilbourne, Louisiana

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Notes to the Financial Statements As of and for the Year Ended June 30, 2003

#### 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 two other part-time employees.

GASB Statement No. 14, *The Reporting Entity*, established 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 No. 14, 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 assets 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

-16-

program revenues are reported instead as general revenues.

See accountant's compilation report.

Separate financial statements are provided for governmental funds and businesstype 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, licenses and permits, and interest 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.

#### See accountant's compilation report.

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#### **Special Revenue - Fire Department Fund**

The Fire Department Fund was used to account for financial resources to be used in providing fire protection to the residents of the village. This fund was closed during the year ended June 30, 2003 and the balance in the fund was transferred to the General Fund.

#### **Special Revenue - Police Department Fund**

The Police Department Fund was used to account for financial resources to be used in providing police protection to the residents of the village. This fund was closed during the year ended June 30, 2003 and the balance in the fund was transferred to the General 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and business-type activities fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The village has elected not to follow subsequent private-sector guidance.

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. General revenues include all taxes.

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.

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See accountant's compilation report.

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 governmentbacked 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, 2003, 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.

#### 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. 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:

Estimated Lives

#### Infrastructure - sewer system and improvements

25 years

See accountant's compilation report.

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D

Buildings Equipment 40 years 5-10 years

#### F. Long-term Obligations

In the government-wide financial statements and the business-type activities fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net assets.

#### G. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. At June 30, 2003, the village's governmental fund balances were unreserved and undesignated.

#### H. 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

#### A. 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, 3003. Encumbrance accounting is not utilized by the village. There were no budget amendments during the year ended June 30, 2003.

See accountant's compilation report.

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#### **B.** Excess of Expenditures Over Appropriations

The General Fund had actual expenditures over budgeted appropriations for the year ended June 30, 2003 as follows:

	Original	Final		Unfavorable
	Budget	Budget_	Actual	Variance
General Fund	\$19,900	\$19,900	\$22,654	\$2,754

#### 3. **DEPOSITS IN FINANCIAL INSTITUTIONS**

At June 30, 2003, the village has cash and investments (book balances) as follows:

Checking accounts

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Sewer

Enterprise

Investments - certificates of deposit	12,364
Total	\$23,991

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, 2003, the Village of Kilbourne has \$23,991 in deposits (collected bank balances). These deposits are secured from risk by \$23,991 of federal deposit insurance.

#### 4. **RECEIVABLES**

The following is a summary of receivables at June 30, 2003:

	Fund
Accounts	\$2,370
Allowance for doubtful accounts	NONE
Total	<u>\$2,370</u>

#### 5. INTERFUND RECEIVABLES/PAYABLES

The following is a summary of interfund receivables and payables at June 30, 2003:

See accountant's compilation report.

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	Due
	From Due To
	Other Other
	Funds Funds
General Fund	\$3,942
Sewer Enterprise Fund	\$3,942
Total	<u>\$3,942</u> <u>\$3,942</u>

The amount due to the General Fund is for Sewer Enterprise Fund expenses paid by the General Fund in prior years.

#### 6. CAPITAL ASSETS

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Capital assets and depreciation activity as of and for the year ended June 30, 2003, is as follows:

	Balance at July 1, 2002	Increases	Decreases	Balance at June 30, 2003
Governmental activities:				
Capital assets being				
depreciated:				
Buildings	\$94,000			\$94,000
Equipment	51,420			51,420
Total capital assets being				
depreciated	145,420	NONE	NONE	145,420
Less accumulated depreciation			,	
for:				
Buildings	63,683	\$850		64,533
Equipment	5,004	7,644		12,648
Total accumulated				
depreciation	68,687	8,494	NONE	77,181
Total assets being depreciated,				
net	<u>\$76,733</u>	(\$8,494)	NONE	\$68,239

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#### **Business-type activities:**

Capital assets being depreciated: Sewer system and improvements

#### <u>\$1,338,828 NONE NONE \$1,338,828</u>

See accountant's compilation report.

	Balance at July 1, 2002	Increases	Decreases	Balance at June 30, 2003
Less accumulated depreciation for:		······································		
Sewer system and improvements	\$788,939	\$53,553	NONE	\$842,492
Total assets being depreciated, net	<u>\$549,889</u>	<u>(\$53,553)</u>	NONE	<u>\$496,336</u>

Depreciation expense of \$8,494 for the year ended June 30, 2003 was charged to the general government function.

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#### **SHORT-TERM BANK LOAN** 7.

On January 28, 2003, the village borrowed \$6,500 from Regions Bank to use for General Fund operations. The loan has an interest rate of 4.25 percent. The principal and interest is due October 29, 2003.

The following is a summary of short-term debt transactions for the year ended June 30, 2003:

Bank Loan Short-term obligations payable at July 1, 2002 NONE Additions 6,500 Reductions NONE Short-term obligations payable at June 30, 2003 \$6,500

#### 8. **LONG-TERM OBLIGATIONS**

The following is a summary of long-term debt transactions for the year ended June 30, 2003:

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Loan Payable

#### Long-term obligations payable at July 1, 2002 Additions Reductions

See accountant's compilation report.

\$22,911 NONE (3,280)

Long-term obligations payable at June 30, 2003

#### <u>\$19,631</u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of June 30, 2003:

Loan Payable \$3,584 16,047 \$19,631

Current portion Long-term portion Total

All outstanding debt at June30, 2003, in the amount of \$19,631 is the balance on a bank loan dated February 1998 in the amount of \$34,000 for the purchase of a building. The loan bears interest at 8.9 percent. The principal and interest is being repaid in monthly installments of \$431. Bond principal and interest payable in the next fiscal year are \$3,584 and \$1,584, respectively. The final payment is due February 20, 2008. The interest to maturity is approximately \$4,306. The bonds are due as follows:

	Principal	Interest	
Year Ending June 30,	Payments	Payments	Total
2004	\$3,584	\$1,584	\$5,168
2005	3,916	1,252	5,168
2006	4,279	889	5,168
2007	4,676	492	5,168
2008	3,176	89	3,265
Total	\$19,631	<u>\$4,306</u>	\$23,937

#### 9. **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.

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See accountant's compilation report.

**REQUIRED SUPPLEMENTAL INFORMATION** 

#### See accountant's compilation report.

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#### Schedule 1

#### 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, 2003

	BudgetedAmounts		Actual Amounts (Budgetary Basis -	Variance with Final Budget Positive
	Original	Final	GAAP)	(Negative)
REVENUES				
Franchise taxes	\$4,750	\$4,750	\$6,248	\$1,498
Licenses and permits	12,000	12,000	8,052	(3,948)
Fines	750	750	3,364	2,614
Investment earnings	750	750	216	(534)
Other revenue	600	600	2,675	2,075
Total revenues	18,850	18,850	20,555	1,705
EXPENDITURES				
General government:				
Personal services	3,600	3,600	3,200	400
Operating services	8,400	8,400	10,629	(2,229)
Materials and supplies	200	200		200
Other charges	2,000	2,000	1,957	43
Public safety - operating services	500	500	1,685	(1,185)
Debt service	5,200	5,200	5,183	17
Total expenditures	19,900	19,900	22,654	(2,754)
EXCESS (Deficiency) OF REVENUES				
OVER EXPENDITURES	(1,050)	(1,050)	(2,099)	(1,049)
<b>OTHER FINANCING SOURCE - transfer in</b>	NONE	NONE	2,313	2,313
NET CHANGE IN FUND BALANCE	(1,050)	(1,050)	214	1,264
FUND BALANCE AT BEGINNING OF YEAR	22,687	22,687	20,533	(2,154)
FUND BALANCE AT END OF YEAR	\$21,637	<u>\$21,637</u>	\$20,747	(\$890)

There were no budget amendments for the year ended June 30, 2003.

See accountant's compilation report.

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## **OTHER SUPPLEMENTAL INFORMATION SCHEDULES**

### See accountant's compilation report.

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#### VILLAGE OF KILBOURNE Kilbourne, Louisiana

#### OTHER SUPPLEMENTAL INFORMATION SCHEDULES As of and For the Year Ended June 30, 2003

#### **STATUS OF PRIOR YEAR FINDINGS**

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

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#### CURRENT YEAR FINDINGS AND CORRECTIVE ACTION PLAN

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

#### See accountant's compilation report.

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Schedule 2

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#### VILLAGE OF KILBOURNE Kilbourne, Louisiana

#### STATUS OF PRIOR YEAR FINDINGS For the Year Ended June 30, 2003

	Fiscal			
	Year			
	Finding		Corrective	Planned
Reference	Initially		Action	Corrective
Number	Occurred	Description of Finding	Taken	Action

The prior year report has not been released; therefore, the status

of any prior year findings cannot be determined at June 30, 2003.

See accountant's compilation report.

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Schedule 3

#### VILLAGE OF KILBOURNE Kilbourne, Louisiana

#### CURRENT YEAR FINDINGS AND CORRECTIVE ACTION PLAN For the Year Ended June 30, 2003

		Corrective		Anticipated
Reference		Action	Name of	Completion
<u>Number</u>	Description of Finding	Planned	Contact Person	Date

In the future, the villageActual General Fundwill amend the General

N/A	expenditures exceeded budgeted expenditures by \$2,754 or 14%.	Fund budget in accordance with state law.	Jim Sowell, Mayor	06/30/04
N/A	The village did not obtain state bond commission approval before incurring debt with repayment terms exceeding 90 days.	In the future, the village will obtain state bond commission approval before incurring debt.	Jim Sowell, Mayor	N/A

See accountant's compilation report.

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#### RECEIVED LEGIO ATIVE AUDITOR VILLAGE OF KILBOURNE 03 SEP 25 AM 9:09 Kilbourne, Louisiana **ANNUAL SWORN FINANCIAL STATEMENTS AND CERTIFICATION OF REVENUES \$50,000 OR LESS** AS OF AND FOR THE YEAR ENDED JUNE 30, 2003

#### AFFIDAVIT

Personally came and appeared before the undersigned authority, As//farc, 3, who, duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Village of Kilbourne as of June 30, 2003, and the results of operations for the year then ended, in accordance with basis of accounting described within the accompanying financial statements.

人中アバン, who, duly sworn, deposes and says that the Village of In addition, arol Kilbourne received less than \$50,000 in revenues and other sources for the fiscal year ending June 30, 2003 and, accordingly, the village did not have an audit for the previously mentioned fiscal year-end.

Clerk - Village of Kilbourne

Sworn to and subscribed before me, this  $A_2$  day of  $\underline{\mathcal{Y}}_{e}$ 2003

NOTARY PUBL

Village of Kilbourne Agency: Address: Post Office Box 395 Kilbourne, Louisiana 71253 (318) 428-8777 Telephone:

