

**VILLAGE OF KILBOURNE
KILBOURNE, LOUISIANA**

**ANNUAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2002**

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 6-9-04

PREPARED BY:

**JOHN M. GATHINGS
CERTIFIED PUBLIC ACCOUNTANT
OAK GROVE, LOUISIANA 71263**

VILLAGE OF KILBOURNE
 GENERAL PURPOSE FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2002

TABLE OF CONTENTS

INTRODUCTORY SECTION:

Title Page
 Table of Contents

	STATEMENT	PAGE
FINANCIAL SECTION:		
Independent Accountant's Report		3
GENERAL PURPOSE FINANCIAL STATEMENTS		
Combined Balance Sheet - All Fund Types and Account Groups	A	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - All Government Fund Types	B	6
Statement of Revenues, Expenses, and Changes in Fund Equities- Proprietary Fund Types	C	7
Statement of Revenues, Expenditures, Budget and Actual- General Fund	D	8
Statement of Revenues, Expenditures, Budget and Actual- Proprietary Fund	E	9
Independent Accountant's Report on Applying Agreed-Upon Procedures		10
Louisiana Attestation Questionnaire		14
Prior Year Findings Year Ended June 30, 2001		16
Findings Year Ended June 30, 2002		17

JOHN M. GATHINGS
CERTIFIED PUBLIC ACCOUNTANT
Hwy. 2 East – OAK GROVE, LOUISIANA 71263

318/428-3549

P.O. Box 1088

Honorable Mayor Jim Sowell
Members of Village Council
Village of Kilbourne
Kilbourne, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT


Mr. Sowell:

I have compiled the accompanying general purpose financial statements of the Village of Kilbourne, as of and for the year ended June 30, 2002, as listed in the table of contents, in accordance with 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 information that is the representation of management. 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.

Management has elected to omit substantially all of the disclosures and the statement of cash flow for the proprietary fund required by general accepted accounting principles. If the omitted disclosures and the cash flow statement were included in the financial statements, they might influence the user's conclusions about the Village's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report, dated December 26, 2002, on the results of my agreed-upon procedures.


JOHN M GATHINGS, CPA
OAK GROVE, LOUISIANA
DECEMBER 26, 2002

**VILLAGE OF KILBOURNE
COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002**

GOVERNMENTAL FUNDS TYPE

	<u>GENERAL FUND</u>	<u>GENERAL LONG-TERM DEBT ACCOUNT GROUP</u>	<u>PROPRIETARY TYPE SEWER SYSTEM FUND</u>
ASSETS			
<u>CURRENT ASSETS:</u>			
CASH AND CASH EQUIVALENTS	\$6,823	\$0	\$967
INVESTMENTS	11,891	0.00	0
RECEIVABLE UTILITY DEPOSIT	30	0.00	0
RECEIVABLE FROM OTHER FUNDS	3,943	0.00	0
TRADE ACCOUNTS RECEIVABLE(Net)	0	0.00	7,400
OTHER DEBIT:			
Amount to be provided for retirement of general long-term debit	<u>0</u>	<u>22,868</u>	<u>0</u>
TOTAL CURRENT ASSETS	\$22,687	\$22,868	\$8,367
<u>FIXED ASSETS:</u>			
DEPRECIABLE ASSETS			\$1,340,264
RESERVE FOR DEPRECIATION	<u>0</u>	<u>0</u>	<u>(367,788)</u>
TOTAL FIXED ASSETS	<u>\$0</u>	<u>\$0</u>	<u>\$972,476</u>
TOTAL ASSETS	\$22,687	\$22,868	\$980,843
 LIABILITIES AND FUND BALANCE			
<u>LIABILITIES:</u>			
PAYABLE TO OTHER FUNDS	\$0	\$0	\$3,943
ACCOUNTS PAYABLE	0	0	234
LONG TERM DEBT	<u>0</u>	<u>22,868</u>	<u>0</u>
TOTAL LIABILITIES	\$0	\$22,868	\$4,177

STATEMENT A
(CONTINUED)

ACCOUNT
GROUP-
GENERAL
FIXED ASSETS

TOTALS
(MEMORANDUM ONLY)
2002

\$0	\$7,790
0	11,891
0	30
0	3,943
0	7,400
<u>0</u>	<u>22,868</u>
\$0	\$53,922
\$607,097	\$1,947,361
<u>0</u>	<u>(\$367,788)</u>
<u>\$607,097</u>	<u>\$1,579,573</u>
<u>\$607,097</u>	<u>\$1,633,495</u>

\$0	\$3,943
0	234
<u>0</u>	<u>22,868</u>
\$0.00	\$27,045

SEE ACCOUNTANT'S COMPILATION REPORT.

**VILLAGE OF KILBOURNE
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002**

GOVERNMENTAL FUNDS TYPES

	<u>GENERAL FUND</u>	<u>GENERAL LONG-TERM DEBT ACCOUNT GROUP</u>	<u>PROPRIETARY TYPE SEWER SYSTEM FUND</u>
OTHER CREDITS			
INVESTMENT IN GEN. FIXED ASSETS	\$0	\$0	\$0
FUND BALANCE			
FUND BALANCE - UNDESIGNATED	\$15,981	\$0	(\$363,334)
FUND BALANCE - DESIGNATED	<u>\$6,706</u>	<u>\$0</u>	\$0
FUND BALANCE - CONTRIBUTED CAPITAL			<u>1,340,000</u>
TOTAL FUND BALANCE	<u>\$22,687</u>	<u>\$0</u>	<u>\$976,666</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$22,687</u>	<u>\$22,868</u>	<u>\$980,843</u>
 TOTAL INVESTMENT IN GENERAL FIXED ASSETS			
 TOTAL LIABILITIES, FUND BALANCE AND INVEST. IN GENERAL FIXED ASSETS			

STATEMENT A
(CONCLUDED)

ACCOUNT
GROUP-
GENERAL
FIXED ASSETS

TOTALS
(MEMORANDUM ONLY)
2002

\$607,097

\$607,097

\$0

\$1,606,450

\$0

6,706

\$0

\$1,613,156

\$1,026,398

\$607,097

\$607,097

\$1,633,495

SEE ACCOUNTANT'S COMPILATION REPORT.

STATEMENT B

VILLAGE OF KILBOURNE

GOVERNMENTAL FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2002

	2002
REVENUES	

LOUISIANA GAS SERVICE	\$245
NORTHEAST LOUISIANA POWER AND LIGHT	3,524
OCCUPATIONAL LICENSES	11,554
INTEREST	751
FINES	762
GRANTS	25,150
MISCELLANEOUS	565
SOUTH CENTRAL BELL	1,069

TOTAL REVENUES	\$43,621
EXPENDITURES	

UTILITIES AND TELEPHONE	\$2,659
SALARY, TOWN CLERK	2,400
SALARY, MARSHALL	1,200
OFFICE SUPPLY	205
INSURANCE	3,971
DUES	125
AUDITING & LEGAL	750
PEST CONTROL	73
MISCELLANEOUS	2,577
MOWING	380
POLICE CAR EXPENSE	423
CAPITAL OUTLAY	26,523
PUBLICATIONS/ADVERTISEMENT	11
DEBT SERVICE	5,168

TOTAL EXPENDITURES	\$46,465

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$2,844)
FUND BALANCE BEGINNING OF YEAR	\$25,532

FUND BALANCE END OF YEAR	\$22,687
	=====

SEE ACCOUNTANT'S COMPILATION REPORT.

VILLAGE OF KILBOURNE
SEWER SYSTEM FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2002

	2002
REVENUES:	

Fees	\$22,229.00

TOTAL REVENUES	\$22,229.00
EXPENDITURES:	

UTILITIES	\$5,375.89
TESTING	2,085.00
OFFICE EXPENSE	454.46
REPAIR	4,304.51
MAINTENANCE SERVICE	6,000.00
INTEREST	317.60
SALARY	1,200.00
DUES & PERMITS	525.00
SUPPLIES/CHEMICALS	1,374.29
MISCELLANEOUS	120.00
DEPRECIATION	26,229.43

TOTAL EXPENDITURES	\$47,986.18

EXCESS OF REVENUE OVER EXPENDITURES	(\$25,757.18)
FUND BALANCE BEGINNING OF YEAR	\$1,002,422.96

FUND BALANCE END OF YEAR	\$976,665.78
	=====

SEE ACCOUNTANT'S COMPILATION REPORT.

VILLAGE OF KILBOURNE
GENERAL FUND

STATEMENT OF REVENUE AND EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

Year Ended June 30, 2002

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
LOUISIANA GAS SERVICE	\$1,250	\$245	(\$1,005)
TOBACCO TAX	750	0	(750)
NORTHEAST LOUISIANA POWER	3,500	3,524	24
OCCUPATIONAL LICENSE	12,000	11,554	(446)
INTEREST	750	751	1
MISCELLANEOUS	500	565	65
FINES AND COURT COSTS	750	762	12
SOUTH CENTRAL BELL	1,000	1,069	69
GENERAL IMPROVE. GRANT	25,000	25,150	150
TOTAL REVENUES	\$45,500	\$43,620	(\$1,880)
EXPENDITURES:			
UTILITIES AND TELEPHONE	\$3,000	\$2,659	\$341
SALARY, TOWN CLERK	2,400	2,400	0
SALARY, TOWN MARSHALL	1,200	1,200	0
INTEREST	2,200	2,209	(9)
OFFICE SUPPLIES	200	205	(5)
INSURANCE	4,000	3,971	29
DUES	150	125	25
AUDITING AND LEGAL	750	750	0
PEST CONTROL	100	73	27
MISCELLANEOUS	2,600	2,589	11
NOTE PAYMENT	3,000	2,957	43
ROAD MAINTENANCE AND MOWING	400	380	20
POLICE CAR EXPENSE	500	423	77
CAPITAL OUTLAY	25,000	26,523	(1,523)
TOTAL OPERATING EXPENDITURES	\$45,500	\$46,464	(\$964)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$0	(\$2,844)	(\$2,844)
FUND BALANCE AT BEGINNING OF YEAR	\$25,532	\$25,532	
FUND BALANCE AT THE END OF YEAR	\$25,532	\$22,687	

SEE ACCOUNTANT'S COMPILATION REPORT.

VILLAGE OF KILBOURNE
SEWER SYSTEM FUND

STATEMENT OF REVENUE AND EXPENDITURES -
BUDGET AND ACTUAL

Year Ended June 30, 2002

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	-----	-----	-----
REVENUES			

FEES	\$22,000	\$22,229	\$229

TOTAL REVENUE	\$22,000	\$22,229	\$229
EXPENDITURES:			

MAINTENANCE SERVICE	\$6,000	\$6,000	\$0
UTILITIES	5,500	5,376	124
CHEMICALS, SUPPLIES	1,500	1,374	126
REPAIRS	4,350	4,305	45
MISCELLANEOUS	150	120	30
SALARY	1,200	1,200	0
OFFICE EXPENSES	500	455	45
DUES & PERMITS	500	525	(25)
TESTING	2,000	2,085	(85)
INTEREST	300	318	(18)

TOTAL OPERATING EXPENDITURES	\$22,000	\$21,758	\$242
EXCESS OF REVENUE OVER EXPENDITURES	\$0	\$471	\$471
	=====	=====	=====

SEE ACCOUNTANT'S COMPILATION REPORT.

**JOHN M. GATHINGS
CERTIFIED PUBLIC ACCOUNTANT
Hwy. 2 East – OAK GROVE, LOUISIANA 71263**

318/428–3549

P.O. Box 1088

**INDEPENDENT ACCOUNTANT'S REPORT
on APPLYING AGREED-UPON PROCEDURES**

Honorable Mayor Jim Sowell
Members of the Village Council
Village of Kilbourne, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the Village of Kilbourne and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Kilbourne's compliance with certain laws and regulations during the year ended June 30, 2002 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There was one purchase made during the period that exceeded the spending limits set by LSA-RS 38:2211-2251. The expenditure was a tractor and attachments and was bought under the state contract for such items.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of

outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determined whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were included on the listing on the listing obtained from management in agree-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in [agreed-upon procedure (2)].

BUDGETING

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget. There were no amendments to the budget during the year.

6. Traced the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes which indicated that the budget had been adopted by the alderwomen of Village of Kilbourne by a vote of 3 in favor and none opposed. No amendments were made to the budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues fail to meet budget revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

ACCOUNTING AND REPORTING

8. Selected 6 disbursements made during the period under examination and:
(a) traced payments to supporting documentation as to proper amounts and payee:

I examined supporting documentation for each of the six selected disbursements and found that payments were for the proper amount and made to the correct payee.

- (b) determined if payments were properly coded to the correct fund and general ledger account; and

All payments were properly coded to the correct fund and general ledger account.

- (c) determined whether payments received approval from proper authorities.

Inspection of documents supporting each of the six selected disbursements indicated approval from the entire board of councilpersons at a regular stated meeting. I examined the monthly docket, which was approved by the councilpersons, instead of the individual invoices to support the accuracy of the expenses. The disbursements were not selected on a random basis, but were selected from disbursements made over the entire year.

MEETINGS

9. Examined evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meeting law).

The Village of Kilbourne is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's City Hall. During examination I notice on two occasions that notices of meetings were posted on the door.

DEBT

10. Examined bank deposits for the period under examination and determined whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and did not find any deposits that appeared to be proceeds from loans, bonds, or like indebtedness.


ADVANCES AND BONUSES

11. Examined payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the village for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

The matters listed on the prior year report, dated December 26, 2001, have not been resolved.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you. This report is intended solely for the use of management of the Village of Kilbourne and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



JOHN M GATHINGS, CPA
OAK GROVE, LOUISIANA
DECEMBER 26, 2002

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

October 31, 2002 (Date Transmitted)

J. M. GATHINGS, CPA
P.O. Box 1088
DAK GROVE, LA 71263 (Auditors)

In connection with your compilation of our financial statements as of [date] 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 regulation 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 (date of completion/representations).

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.

Carol Harris _____ Clerk _____ 11-01-02 _____ Date
Secretary

Treasurer _____ Date

President _____ Date

Note: If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2001

Finding Number 2001-01

1. The Village did not withhold social security taxes from the clerk's salary. The same person was clerk for the sewer system and Village and the taxes should have been withheld and matched by the Village and remitted to the Internal Revenue Service.

Recommendation:

The accountant recommended that the Village start withholding the tax and pay the amount due to the Internal Revenue Service.

Current Status:

The Village has not started withholding the tax nor paying the tax to the Internal Revenue Service.

VILLAGE OF KILBOURNE
Kilbourne, Louisiana

SCHEDULE OF FINDINGS
For the Year Ended June 30, 2002

- Criteria:** Withholding of social security tax from salaries.
- Condition:** The village should withhold social security taxes from the clerk's salary and match the withholding and remit it to the Internal Revenue Service.
- Cause:** No taxes were withheld from the clerk's salary.
- Effect:** The village is liable for the taxes that should have been withheld.
- Recommendation:** That the village have the clerk figure the amount of taxes that should have been withheld and remit the same, with her matching part to the Internal Revenue Service.
- Management's response:** Management will determine the correct tax and remit it to the proper agency and withhold this tax on all future wages.

This finding was first reported in 2000. The clerk for the town and sewer system has received a total of \$10,800.00 since that date, which no taxes have been withheld or reported. The total tax that is due, including the matching amount from the village, is \$1,652.40. No tax should have been withheld from the Police Chief's compensation because he is an elected official not an employee. Prior to 2000 the taxes were withheld from the clerk's salary.