

**VILLAGE OF KILBOURNE, LOUISIANA**

*Financial Statements  
For the Year Ended June 30, 2023*



MAXWELL CPA, LLC, *Certified Public Accountant*, Sterlington, Louisiana

**VILLAGE OF KILBOURNE, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

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**VILLAGE OF KILBOURNE, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Alderman  
Village of Kilbourne  
Kilbourne, Louisiana

### Report on the Audit of the Financial Statements

#### *Opinions*

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Kilbourne, Louisiana (the Village), as of and for the year ended June 30, 2023, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Village and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



Mayor and Board of Alderman  
Village of Kilbourne  
Kilbourne, Louisiana

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 26 through 28, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to

Mayor and Board of Alderman  
Village of Kilbourne  
Kilbourne, Louisiana

be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Schedule of Compensation to the Elected Officials, LCDBG Sewer Improvement Project – Balance Sheet, LCDBG Sewer Improvement Project – Schedule of Revenues, Expenditures, and Changes in Net Position and the Justice System Funding Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Schedule of Compensation to the Elected Officials, LCDBG Sewer Improvement Project – Balance Sheet, LCDBG Sewer Improvement Project – Schedule of Revenues, Expenditures, and Changes in Net Position and the Justice System Funding Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated April 24, 2025, on my consideration of the Village's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Maxwell CPA, LLC*

Sterlington, Louisiana  
April 24, 2025

**REQUIRED SUPPLEMENTAL INFORMATION (PART A)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **VILLAGE OF KILBOURNE, LOUISIANA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

As management of the Village of Kilbourne, we offer readers of the Village of Kilbourne's financial statements this narrative overview and analysis of the financial activities of the Village of Kilbourne for the year ended June 30, 2023. It is designed to assist the reader in focusing on significant financial issues, identify changes in the Village's financial position, and identify material deviations and individual fund issues or concerns.

As with other sections of the financial report, the information contained within the MD&A should be considered only a part of the greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplementary Information ("RSI") that is provided in addition to this Management Discussion and Analysis.

#### **FINANCIAL HIGHLIGHTS**

- The assets of the Village exceeded its liabilities at the close of the fiscal year by \$809,106 (net position). Of this amount, \$147,110 (unrestricted net position) represents the portion of net position that is not invested in capital assets or otherwise restricted.
- The government's total net position increased by \$407,878.
- As of the close of the current fiscal year, the Village's governmental activities reported combined ending net position of \$241,746, an increase of \$45,246 in comparison with the prior year. Of this total amount, \$154,854 is available for spending at the government's discretion (unrestricted net position).

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Village of Kilbourne's basic financial statements. The Village of Kilbourne's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the Village of Kilbourne's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Village of Kilbourne's assets and liabilities, with the difference between the two reported as net position may serve as a useful indicator of whether the financial position of the Village of Kilbourne is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expense are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Village of Kilbourne that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of the costs through user fees and charges (business-type activities). The governmental activities of the Village of Kilbourne include general government, public safety, sanitation, and public works. The business-type activities of the Village of Kilbourne include water and sewer.



**Village of Kilbourne, Louisiana**  
Management Discussion and Analysis (continued)

The government-wide financial statements can be found on pages 8 and 9 of this report.

**FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Kilbourne, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Kilbourne can be divided into two categories: governmental funds and proprietary funds.

**GOVERNMENTAL FUNDS**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village of Kilbourne maintains one governmental fund which is the General Fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The General Fund is considered to be a major fund.

The Village of Kilbourne adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

**PROPRIETARY FUNDS**

The Village of Kilbourne maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information the government-wide financial statements, only in more detail.

**NOTES TO FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village of Kilbourne's compliance with budgets for its major funds.

**Village of Kilbourne, Louisiana**  
Management Discussion and Analysis (continued)

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Kilbourne, assets exceeded liabilities by \$805,771, at the close of the most recent fiscal year.

The largest amount of the Village of Kilbourne's net assets (\$653,486) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Village of Kilbourne uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Kilbourne's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-Type Activities		Total	
	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
Current & Other assets	\$ 129,442	\$ 154,642	\$ 17,485	\$ 42,643	\$ 146,927	\$ 197,285
Receivables (Net of Allowance)	1,333	550	5,709	4,218	7,042	4,768
Due From Other Funds	26,363	-	(26,363)	-	-	-
Capital Assets	86,892	43,538	614,293	201,054	701,185	244,592
Total Assets	<u>\$ 244,030</u>	<u>\$ 198,730</u>	<u>\$ 611,124</u>	<u>\$ 247,915</u>	<u>\$ 855,154</u>	<u>\$ 446,645</u>
Current Liabilities	\$ 2,284	\$ 2,230	\$ 8,753	\$ 3,998	\$ 11,037	\$ 6,228
Long-Term Liabilities	-	-	35,011	39,189	35,011	39,189
Total Liabilities	\$ 2,284	\$ 2,230	\$ 43,764	\$ 43,187	\$ 46,048	\$ 45,417
Net Position:						
Invested in Capital Assets, Net of Related Debt	\$ 86,892	\$ 43,538	\$ 575,104	\$157,867	\$661,996	\$201,405
Unrestricted	<u>154,854</u>	<u>152,962</u>	<u>(7,744)</u>	<u>46,861</u>	<u>147,110</u>	<u>199,823</u>
Total Net Position	<u>\$241,746</u>	<u>\$196,500</u>	<u>\$ 567,360</u>	<u>\$204,728</u>	<u>\$809,106</u>	<u>\$401,228</u>

The balance of \$154,854 in unrestricted net position in governmental activities represents the accumulated results of all past year's operations. Net position increased by \$407,878 overall from the prior year. The changes in net position will be discussed later in this MD&A.

**GOVERNMENTAL ACTIVITIES**

Governmental activities increased the Village of Kilbourne's net position by \$45,246. Key elements of the changes in net position are as follows:

**Village of Kilbourne, Louisiana**  
Management Discussion and Analysis (continued)

	Governmental Activities		Business-Type Activities		Totals	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022	6/30/2023	6/30/2022
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 87,982	\$164,924	\$ 45,910	\$ 50,980	\$133,892	\$215,904
Grants	26,363	27,417	380,460	37,860	406,823	65,277
General Revenues						
Sales Taxes	18,331	14,884	-	-	18,331	14,884
Franchise Taxes	13,132	-	-	-	13,132	-
Other Revenues	4,242	10,474	3,001	2	7,243	10,476
Transfers	-	(243)	-	243	-	-
Total Revenues	123,687	217,456	429,371	89,085	579,421	306,541
<b>Expenses</b>						
General Government	63,262	78,249	-	-	63,262	78,249
Public Safety	41,542	39,612	-	-	41,542	39,612
Operating	-	-	66,739	52,339	66,739	52,339
Total Expenses	104,804	117,861	66,739	52,339	171,543	170,200
Increase (Decrease) in Net Position	\$ 45,246	\$ 99,595	\$362,632	\$36,746	\$407,878	\$136,341

Expenses are classified by functions/programs. Public Safety and Protection accounts for \$41,542, while general government accounts for \$63,262 for the fiscal year 2023. The related program revenues for the fiscal year 2023, directly related to these expenses totaled \$87,982, which resulted in a net decrease of approximately \$16,822. The remaining balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- Grant revenue is the largest and most significant source of revenue for the Village of Kilbourne. It provides \$380,460 of sewer fund revenues.
- Traffic citation revenue is the second largest revenue source for the Village, generating \$75,587.

## **BUSINESS-TYPE ACTIVITIES**

Business-type activities increased the Village of Kilbourne's net position by \$362,632. The increase was primarily attributable to an increase in grants.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the Village of Kilbourne uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Village of Kilbourne's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village of Kilbourne's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

## **Village of Kilbourne, Louisiana**

### **Management Discussion and Analysis (continued)**

As of the end of the current fiscal year, the Village of Kilbourne's governmental funds reported a combined ending fund balance of \$153,528, an increase of \$566 in comparison with the prior year. Of this total amount \$99,748 constitutes an unassigned fund balance, which is available for spending at the Village's discretion.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S 39:1301 et seq), the Village of Kilbourne must adopt a budget for the General Fund and all Special Revenue funds prior to June 30.

The General Fund actual revenues had an unfavorable variance of \$4,949 compared to budgeted revenues. Actual expenditures were less than budgeted by \$6,803.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

The Village of Kilbourne's investment in capital assets for its governmental and business type activities as of June 30, 2023, amounts to \$701,185 (net of accumulated depreciation). This investment in capital assets includes land, construction in process, buildings and system improvements, machinery and equipment, and street improvements.

#### **Village of Kilbourne Capital Assets**

	<b>06/30/2023</b>	<b>06/30/2022</b>
Buildings and Improvements	\$ 95,489	\$ 94,000
Vehicles and Equipment	138,668	77,605
Construction in Process	436,321	55,860
Sewer System	1,543,402	1,511,678
Total	<u>2,213,880</u>	<u>1,739,143</u>
Less Accumulated Depreciation	<u>(1,512,695)</u>	<u>(1,494,551)</u>
Total Capital Assets	\$ 701,185	\$ 244,592

#### **Village of Kilbourne Outstanding Debt**

Bond Payable	\$ 39,189	\$ 43,187
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### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Factors considered in preparing the Village of Kilbourne's budget for the 2024 fiscal year included the impact that ARPA funding would have on expenditures. With current economic conditions, property tax and sales tax revenues are projected to remain flat for the next fiscal year. All other revenues should remain fairly constant.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village of Kilbourne's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village Clerk, 125 Carnell St, PO Box 395, Kilbourne, Louisiana 71253.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**VILLAGE OF KILBOURNE, LOUISIANA**  
**KILBOURNE, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<b>PRIMARY GOVERNMENT</b>		
	<b><u>Governmental</u></b>	<b><u>Business-Type</u></b>	
	<b><u>Activities</u></b>	<b><u>Activities</u></b>	<b><u>Total</u></b>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 129,442	\$ 17,485	\$ 146,927
Receivables, Net of Allowance	1,333	5,709	7,042
Due From Other Funds	26,363	(26,363)	-
Capital Assets (Net)	86,892	614,293	701,185
<b><u>TOTAL ASSETS</u></b>	<b><u>244,030</u></b>	<b><u>611,124</u></b>	<b><u>855,154</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	673	2,561	3,234
Payroll Liabilities Payable	1,611	2,014	3,625
Bonds Payable - Current Portion	-	4,178	4,178
Total Current Liabilities	2,284	8,753	11,037
Bonds Payable, Long-term Portion	-	35,011	35,011
<b><u>TOTAL LIABILITIES</u></b>	<b><u>2,284</u></b>	<b><u>43,764</u></b>	<b><u>46,048</u></b>
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	86,892	575,104	661,996
Unrestricted	154,854	(7,744)	147,110
<b><u>TOTAL NET POSITION</u></b>	<b><u>\$ 241,746</u></b>	<b><u>\$ 567,360</u></b>	<b><u>\$ 809,106</u></b>

See independent auditor's report and notes to the financial statements.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**KILBOURNE, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position of Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenue	Governmental	Business-Type	Total
						Activities	Activities	
<b>Governmental Activities</b>								
General Government	\$ 63,262	\$ 12,395	\$ -	\$ 26,363	\$ (24,504)	\$ (24,504)	\$ -	\$ (24,504)
Public Safety	41,542	75,587	-	-	34,045	34,045	-	34,045
Total Governmental Activities	104,804	87,982	-	26,363	9,541	9,541	-	9,541
<b>Business-Type Activities:</b>								
Sewer Service	66,739	45,910	-	380,460	359,631	-	359,631	359,631
<b>Total Primary Government</b>	<b>\$ 171,543</b>	<b>\$ 133,892</b>	<b>\$ -</b>	<b>\$ 406,823</b>	<b>\$ 369,172</b>	9,541	359,631	369,172
<b>General Revenues:</b>								
			Interest Income			-	1	1
			Franchise Tax			13,132	-	13,132
			Sales Taxes			18,331	-	18,331
			Transfers In (Out)			-	-	-
			Other Revenues			4,242	3,000	7,242
			Total General Revenues and Transfers			35,705	3,001	38,706
			Change in Net Position			45,246	362,632	407,878
			<b>Net Position - Beginning</b>			196,500	204,728	401,228
			<b>Net Position - Ending</b>			\$ 241,746	\$ 567,360	\$ 809,106

See independent auditor's report and notes to the financial statements.

## **FUND FINANCIAL STATEMENTS**



**VILLAGE OF KILBOURNE, LOUISIANA**  
**KILBOURNE, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	General Fund	ARPA Fund	Total Governmental Funds
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 129,442	\$ -	\$ 129,442
Receivables, Net	1,333	-	1,333
Due From Other Funds	-	53,780	53,780
<b><u>TOTAL ASSETS</u></b>	<b><u>130,775</u></b>	<b><u>53,780</u></b>	<b><u>184,555</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	673	-	673
Payroll Liabilities Payable	1,611	-	1,611
Due To Other Funds	27,417	-	27,417
<b>Total Liabilities</b>	<b>29,701</b>	<b>-</b>	<b>29,701</b>
<b><u>FUND BALANCES</u></b>			
Restricted	-	53,780	53,780
Unassigned	101,074	-	101,074
Total Fund Balances	101,074	53,780	154,854
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b><u>\$ 130,775</u></b>	<b><u>\$ 53,780</u></b>	<b><u>\$ 184,555</u></b>

See independent auditor's report and notes to the financial statements.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**KILBOURNE, LOUISIANA**  
**RECONCILIATION OF GOVERNMENTAL**  
**FUND BALANCES TO STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

Total Governmental Fund Balances	\$ 154,854
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental Capital Assets	225,469	
Less: Accumulated Depreciation	<u>(138,577)</u>	<u>86,892</u>

Net Position of Governmental Activities	<u><u>\$ 241,746</u></u>
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See independent auditor's report and notes to the financial statements.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**KILBOURNE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	ARPA Fund	Total
<b><u>Revenues</u></b>			
Sales Tax	\$ 18,331	\$ -	\$ 18,331
Franchise Tax	13,132	-	13,132
Licenses and Permits	12,395	-	12,395
Fines and Tickets	75,587	-	75,587
Intergovernmental	-	26,363	26,363
Other Revenues	4,242	-	4,242
<b>Total Revenues</b>	<u>123,687</u>	<u>26,363</u>	<u>150,050</u>
<b><u>Expenditures</u></b>			
General Government	52,752	-	52,752
Public Safety and Protection	41,542	-	41,542
Capital Outlay	53,864	-	53,864
<b>Total Expenditures</b>	<u>148,158</u>	<u>-</u>	<u>148,158</u>
<b><u>Excess (Deficiency) of Revenues</u></b>			
<b><u>Over Expenditures</u></b>	(24,471)	26,363	1,892
<b><u>Other Financing Sources and (Uses)</u></b>			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	(24,471)	26,363	1,892
<b><u>Fund Balance - Beginning</u></b>	<u>125,545</u>	<u>27,417</u>	<u>152,962</u>
<b><u>FUND BALANCE - ENDING</u></b>	<u>\$ 101,074</u>	<u>\$ 53,780</u>	<u>\$ 154,854</u>

See independent auditor's report and notes to the financial statements.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**KILBOURNE, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances - Total		
Governmental Funds	\$	1,892

*Amounts reported for governmental activities in  
the statement of activities are different because:*

Government funds report capital outlays as expenditures  
while governmental activities report depreciation  
expense to allocate those expenditures over the life of  
the assets:

Capital Asset Purchases Capitalized	53,864	
Depreciation Expense	(10,510)	43,354

Change in Net Position in Governmental		
Activities	\$	45,246

See independent auditor's report and notes to the financial statements.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**KILBOURNE, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

	Sewer Enterprise Fund
<b><u>ASSETS</u></b>	
<b><u>Current Assets</u></b>	
Cash and Cash Equivalents	\$ 17,485
Receivables, Net of Allowance	5,709
<b>Total Current Assets</b>	<b>23,194</b>
 <b><u>Non-Current Assets</u></b>	
Capital Assets (Net of Accumulated Depreciation)	614,293
 <b><u>TOTAL ASSETS</u></b>	 <b><u>\$ 637,487</u></b>
 <b><u>LIABILITIES</u></b>	
<b><u>Current Liabilities</u></b>	
Accounts Payable	\$ 2,561
Payroll Liabilities	2,014
Due To Other Funds	26,363
Bonds Payable - Current Portion	4,178
	<b>35,116</b>
 <b><u>Long Term Liabilities</u></b>	
Bond Payable - Long-Term	35,011
 <b><u>TOTAL LIABILITIES</u></b>	 <b>70,127</b>
 <b><u>NET POSITION</u></b>	
Net Investment in Capital Assets	575,104
Unrestricted (Deficit )	(7,744)
 <b><u>TOTAL NET POSITION</u></b>	 <b><u>\$ 567,360</u></b>

See independent auditor's report and notes to the financial statements.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**KILBOURNE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Sewer Enterprise Fund
	<hr/>
<b><u>Operating Revenues</u></b>	
Charges for Services:	
Sewer Fees	\$ 45,910
<b><u>Operating Expenses</u></b>	
Utilities	7,574
Payroll Expense	13,721
Repairs and Maintenance	7,091
Office Expense	122
Dues and Fees	375
Testing Fees	1,060
Contract Services	5,114
Management Fees	22,195
Depreciation	7,634
<b>Total Operating Expenses</b>	<hr/> 64,886 <hr/>
<b><u>Operating Income (Loss)</u></b>	(18,976)
<b><u>Non-Operating Income (Expense)</u></b>	
Interest Income	1
Grant Proceeds	380,460
Other Income	3,000
Interest Expense	(1,853)
<b>Total Non-Operating Income (Expense)</b>	<hr/> 381,608 <hr/>
<b><u>Change in Net Position</u></b>	362,632
<b><u>Net Position - Beginning</u></b>	<hr/> 204,728 <hr/>
<b><u>NET POSITION - ENDING</u></b>	<hr/> \$ 567,360 <hr/>

See independent auditor's report and notes to the financial statements.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**KILBOURNE, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Sewer Enterprise Fund
<b><u>Cash Flows from Operating Activities</u></b>	
Receipts from Customers and Users	\$ 44,420
Payments for Services and Supplies	(40,971)
Payments to Employees for Services and Benefits	(11,707)
<b>Net Cash Used by Operating Activities</b>	<b>(8,258)</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>	
Transfers to Other Funds	26,363
Other Receipts	3,000
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>29,363</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Proceeds from Grant	380,460
Principal Paid on Debt	(3,998)
Interest Paid on Debt	(1,853)
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>374,609</b>
<b><u>Cash Flows from Investing Activities</u></b>	
Purchase of Capital Assets	(420,873)
Interest Received	1
<b>Net Cash Used by Investing Activities</b>	<b>(420,872)</b>
<b><u>Net Decrease in Cash and Cash Equivalents</u></b>	<b>(25,158)</b>
<b><u>Cash and Cash Equivalents, Beginning of the Year</u></b>	<b>42,643</b>
<b><u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u></b>	<b>\$ 17,485</b>
<b><u>Shown on the Accompanying Statement of Net Position as:</u></b>	
Cash and Cash Equivalents	\$ 17,485
<b><u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u></b>	
Operating Income (Loss)	\$ (18,976)
Adjustments to Reconcile Net Loss to Net Cash Provided by	
Operating Activities	
Depreciation Expense	7,634
Decrease in Accounts Receivable	(1,490)
Increase in Accounts Payable	2,561
Increase in Payroll Liabilities	2,013
Total Adjustments	10,718
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (8,258)</b>

See independent auditor's report and notes to the financial statements.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Introduction**

The Village of Kilbourne, Louisiana was incorporated under the provisions of the Lawrason Act in 1939. The Village operates under a Board of Alderman-Mayor form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, public improvements and general administrative services. The Village has an elected Chief of Police and four other part-time employees.

GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No 14* 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 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 or local governments. As used in GASB Statement No 14 and 39, fiscally independent means that the Village 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 of Kilbourne has no component units as of June 30, 2023.

**Note 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 changes in net position) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental 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 segments 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 or 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major 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 proprietary 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



**VILLAGE OF KILBOURNE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

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, the government considers revenues 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.

Sales taxes, franchise taxes, licenses, 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. Only the portion of special assessment receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ARPA Fund accounts for grant funding from the Coronavirus State Local Fiscal Recovery Fund authorized by American Rescue Plan Act of 2021.

The Village reports the following major proprietary fund:

The Sewer Enterprise Fund provides water and sewer services to the citizens inside the Village's boundaries. It accounts for all revenues and expenses associated with providing sewer service.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary 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 this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations.

Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues derived from the proprietary funds include water and sewer fees along with new installation fees. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, and then unrestricted resources as they are needed.

**C. Deposits and Investments**

The Village's cash and cash equivalents are considered to be cash on hand and 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 the 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.

**D. Receivables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are generally shown net of an allowance for uncollectible accounts. These statements show 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. The Village uses the allowance method for uncollectible sewer fees and writes off accounts when it deems them to be totally uncollectible.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**E. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. 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 maintains a threshold level of \$500 or more capitalizing capital assets.

As permitted by GASB 34, the Village has elected not to report infrastructure assets retroactively.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The Village had no interest to capitalize under construction.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Building Improvements	40 Years
Equipment	5-10 Years
Infrastructure– Sewer System and Improvements	25 Years

**F. Compensated Absences**

The Village has no compensated absences for its employees.

**G. Long-Term Obligations**

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

**H. Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. Property taxes that are received before the period for which the taxes are levied are reported as deferred inflows of resources.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**I. Net Position/Fund Balance**

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form (prepaid items or inventories) or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted Fund Balance*—This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance*—These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Village Aldermen (the government's highest level of decision-making authority). Those committed amounts cannot be used for any other purpose unless the village aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned Fund Balance*—This classification reflects the amounts constrained by the Village's "intent" to be used for specific purposes but are neither restricted nor committed. The village aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.

*Unassigned Fund Balance*—This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

The General Fund has an unassigned fund balance of \$101,074. If applicable, the Village would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

**J. 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 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Note 2 – Stewardship, Compliance, and Accountability**

*Budget Information.* The Village uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting is normally presented to the board of aldermen in June each year. The budget is legally adopted by the board of aldermen 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. Their budget was amended one time during the year ended June 30, 2023.

The budget comparison statements included in the accompanying financial statements reflect the original proposed budget. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

**Note 3 – Cash and Cash Equivalents**

At June 30, 2023, the Village has cash and cash equivalents (book balances) totaling \$146,927 as follows:

	Governmental Funds	Sewer Fund	Totals
Cash and Cash Equivalents	\$ 129,442	\$ 17,485	\$ 146,927

**Custodial Credit Risk – Deposits.** The custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's policy to ensure there is no exposure to this risk is to require the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Accordingly, the Village had no custodial credit risk related to its deposits at June 30, 2023.

These deposits are stated at cost, which approximates market value. 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. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually accepted to both parties.

**Note 4 – Receivables**

The receivables of \$7,042 at June 30, 2023, are as follows:

Class of Receivable	General Fund	Sewer Fund	Totals
Sales Tax	\$ 993	\$ -	\$ 993
Sewer Fees	-	3,505	3,505
Other Receivables	340	2,204	2,544
	\$ 1,333	\$ 5,709	\$ 7,042

**VILLAGE OF KILBOURNE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Note 5 – Capital Assets**

Capital Assets and depreciation activity as of and for the year ended June 30, 2023, for the primary government is as follows:

	<u>Balance</u> <u>6/30/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2023</u>
Government Activities:				
Depreciable Assets:				
Buildings & Improvements	\$ 94,000	\$ 1,489	\$ -	\$ 95,489
Vehicles & Equipment	77,605	52,375	-	129,980
Total Capital Assets Being Depreciated	171,605	53,864	-	225,469
Less Accumulated Depreciation	(128,067)	(10,510)	-	(138,577)
Total Governmental Activities Capital Assets, Net	<u>\$ 43,538</u>	<u>\$ 43,354</u>	<u>\$ -</u>	<u>\$ 86,892</u>
Business-Type Activities:				
Non-Depreciable Assets:				
Construction in Process	\$ 55,860	\$ 380,461	\$ -	\$ 436,321
Depreciable Assets:				
Water & Sewer Systems and Improvements	1,511,678	40,413	-	1,552,091
Total Capital Assets	1,567,538	420,874	-	1,988,412
Less Accumulated Depreciation	(1,366,485)	(7,634)	-	(1,374,119)
Total Business-Type Activities Capital Assets, Net	<u>\$ 201,053</u>	<u>\$ 413,240</u>	<u>\$ -</u>	<u>\$ 614,293</u>

Depreciation expense of \$10,510 was charged to the general government functions and \$7,634 was charged to the business-type activities function for the year ended June 30, 2023.

**Note 6 – Interfund Receivables/Payables**

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as “due from/to other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

**Note 7 – Bond Payable**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2023:

	<u>Revenue Bonds</u> <u>Payable</u>
Balance June 30, 2022	\$ 43,187
Additions	-
Reductions	(3,998)
Balance June 30, 2023	<u>\$ 39,189</u>

**VILLAGE OF KILBOURNE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Note 7 – Bonds Payable (continued)**

Interest expense of \$1,853 was charged to the sewer business-type activities function for the year ended June 30, 2023.

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, 2023.

	Revenue Bonds <u>Payable</u>
Current	\$ 4,178
Long-Term	<u>35,011</u>
Total	\$ 39,189

Revenue bonds payable in the amount of \$39,189 matures July 15, 2031, and has an interest rate of 4.5%.

The bonds are due as follows:

	<u>Principal Payments</u>
Year Ending June 30, 2024	4,178
2025	4,366
2026	4,562
2027	4,768
2028	4,982
2029-2031	<u>16,333</u>
Total	<u>\$ 39,189</u>

**Note 8 – Risk Management and Contingent Liabilities**

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.

**Note 9 – Subsequent Events**

Subsequent events have been evaluated through April 24, 2025, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed.

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)**  
**BUDGETARY**



**VILLAGE OF KILBOURNE, LOUISIANA**  
**KILBOURNE, LOUISIANA**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b><u>Revenues</u></b>				
Sales Tax	\$ 14,500	\$ 18,000	\$ 18,331	\$ 331
Franchise Taxes	-	-	13,132	13,132
Licenses and Permits	14,400	25,500	12,395	(13,105)
Fines and Tickets	151,000	79,000	75,587	(3,413)
Miscellaneous	16,000	-	-	-
Rent	-	4,000	4,242	242
<b>Total Revenues</b>	<u>195,900</u>	<u>126,500</u>	<u>123,687</u>	<u>(2,813)</u>
<b><u>Expenditures</u></b>				
General Government	76,500	85,175	52,752	32,423
Public Safety and Protection	35,000	20,000	41,542	(21,542)
Capital Outlay	-	53,000	53,864	(864)
<b>Total Expenditures</b>	<u>111,500</u>	<u>158,175</u>	<u>148,158</u>	<u>10,017</u>
<b><u>Excess (Deficiency) of Revenues Over Expenditures</u></b>	84,400	(31,675)	(24,471)	7,204
<b><u>Other Financing Sources and (Uses)</u></b>				
Transfers Out	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	84,400	(31,675)	(24,471)	7,204
<b><u>Fund Balance at Beginning of Year</u></b>	<u>200</u>	<u>45,600</u>	<u>125,545</u>	<u>79,945</u>
<b><u>Fund Balance at End of Year</u></b>	<u>\$ 84,600</u>	<u>\$ 13,925</u>	<u>\$ 101,074</u>	<u>\$ 87,149</u>

See independent auditor's report and notes to the financial statements.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**KILBOURNE, LOUISIANA**  
**ARPA FUND**  
**BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b><u>Revenues</u></b>				
Intergovernmental	\$ -	\$ -	\$ 26,363	\$ 26,363
<b><u>Expenditures</u></b>				
General Government	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Excess (Deficiency) of Revenues Over Expenditures</u></b>	-	-	26,363	26,363
<b><u>Other Financing Sources and (Uses)</u></b>				
Transfers Out	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Net Change in Fund Balance</u></b>	-	-	26,363	26,363
<b><u>Fund Balance at Beginning of Year</u></b>	<u>200</u>	<u>45,600</u>	<u>27,417</u>	<u>(18,183)</u>
<b><u>Fund Balance at End of Year</u></b>	<u>\$ 200</u>	<u>\$ 45,600</u>	<u>\$ 53,780</u>	<u>\$ 8,180</u>

See independent auditor's report and notes to the financial statements.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**NOTES TO THE BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Budget Information.** The Village uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is normally presented to the board of aldermen in June each year. The budget is legally adopted by the board of aldermen 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 budget was amended once during the year ended June 30, 2023.

The budget comparison statements included in the accompanying financial statements reflect the original proposed budget. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

## **OTHER INFORMATION**

**VILLAGE OF KILBOURNE**  
**KILBOURNE, LOUISIANA**  
**SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS**  
**AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Agency Head  
Keith Murray, Mayor

Salary		\$	1,500
Benefits			
Benefits - Retirement	-		
Benefits - Insurance	-		
Travel	-		
Total Benefits			-
Total		\$	1,500

**VILLAGE OF KILBOURNE, LOUISIANA**  
**SCHEDULE OF COMPENSATION PAID TO THE ELECTED OFFICIALS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Aldermen:

J.L. Allen

Donal Robinson

Jerry Thomas

The Board of Aldermen did not receive any compensation or other payments for the year ending June 30, 2023.

See independent auditor's report and notes to the financial statements.

**VILLAGE OF KILBOURNE**  
**KILBOURNE, LOUISIANA**  
**LCDBG SEWER IMPROVEMENT PROJECT**  
**BALANCE SHEET**  
**JUNE 30, 2023**

**Assets**

Cash	\$ 301
Accounts Receivable	<u>2,204</u>
<b><u>Total Assets</u></b>	<b><u>2,505</u></b>

**Liabilities and Fund Balance**

Accounts Payable	\$ 2,204
<b>Total Liabilities</b>	<u>2,204</u>
<b><u>Fund Balance</u></b>	<u>301</u>
<b><u>Total Liabilities and Fund Balance</u></b>	<b><u>\$ 2,505</u></b>

See independent auditor's report

**VILLAGE OF KILBOURNE**  
**KILBOURNE, LOUISIANA**  
**LCDBG SEWER IMPROVEMENT PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Revenues**

Grant Proceeds	\$ 380,461
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**Expenses**

Bank Fees	84
Capital Outlay	374,162
Contract Service	6,307
Total Expenses	380,553

<b><u>Excess Revenues Over Expenditures</u></b>	(92)
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<b><u>Fund Balance - Beginning</u></b>	393
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<b><u>Fund Balance - Ending</u></b>	\$ 301
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See independent auditor's report.



Justice System Funding Schedule - Collecting/Disbursing Entity				
As Required by Act 87 of the 2020 Regular Legislative Session				
Identifying Information				
Entity Name		Village of Kilbourne		
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)		2396		
Date that reporting period ended		06/30/23		
		First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 06/30/2023	
Cash Basis Presentation				
Beginning Balance of Amounts Collected (i.e. cash on hand)		-	-	
Add: Collections				
Criminal Fines - Other		35,136	50,810	
Other (do not include collections that fit into more specific categories above)				
Subtotal Collections		35,136	50,810	
Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary. )				
La. Commission on Law Enforcement Court Cost Fees		270	500	
CMIS Trial Court Case Management Info System Court Cost Fees		136	263	
North La. Crime Lab Court Cost Fees		30	120	
La. Traumatic Head and Spinal Cord Injury Court Cost Fees		480	970	
La. Judicial College Court Cost Fees		55	145	
Less: Amounts Retained by Collecting Agency				
Criminal Court Costs/Fees		34,045	48,812	
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies				
West Carroll Clerk of Court - Oaths		120	-	
Subtotal Disbursements/Retainage		35,136	50,810	
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)		-	-	
Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected ) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.		0	0	
Other Information:				
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance )		0	7,471	
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service )			-	



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Board of Aldermen of  
Kilbourne, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Kilbourne, Louisiana (the Village) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated April 24, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, I do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-02, 2023-03, and 2023-04 that I consider to be material weaknesses.



Honorable Mayor and Board of Aldermen of  
Kilbourne, Louisiana

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2023-01.

### **Village of Kilbourne, Louisiana's Response to Findings**

*Government Auditing Standards* require the auditor to perform limited procedures on the Village's response to the findings identified in my audit and described in the accompanying schedule of findings and responses. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

### **Purpose of the Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Maxwell CPA, LLC

Sterlington, Louisiana  
April 24, 2025

**VILLAGE OF KILBOURNE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Honorable Mayor and Board of Aldermen of  
Kilbourne, Louisiana

I have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Village of Kilbourne, as of and for the year ended June 30, 2023, which collectively comprise the basic financial statements and have issued our report thereon dated April 24, 2025. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2023 resulted in an unmodified opinion.

**Section I - Summary of Auditor's Reports**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Village of Kilbourne, Louisiana.
2. Three material weaknesses and one instance of noncompliance were disclosed during the audit of the financial statements as reported in the Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*.

**B. Federal Awards – N/A**

**2023-01      Compliance with Annual Filing Deadline**

**Criteria**

Louisiana Revised Statute 24:513 requires timely filing of annual reports within six months after the end of the fiscal year.

**Condition**

The Village did not timely file its annual reports for the year ending June 30, 2023.

**Cause**

The Village did not file its report for June 30, 2023, within six months of the end of its fiscal year.

**Effect**

The Village was not in compliance with state statute.

**Recommendation**

The Village should work with its outside accounting firm to get the financial information ready earlier so that it can be submitted to the Legislative Auditor in a timely manner.

**Response**

In the future the Village will work with its contracted accounting firm to make sure that all financial information is available earlier in the year.

**2023-02      Timekeeping Procedures**

**Criteria**

The Village should have some form of documentation and adequate supervision of time worked to ensure that employees are working the scheduled hours upon which their pay is based.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2023 (continued)**

**2023-02      Timekeeping Procedures (continued)**

**Condition**

The Village does not require timesheets for all employees.

**Cause**

The Board of Alderman approved the pay of certain employees and did not require subsequent supporting documentation. They assumed a salaried employee did not need to have timesheets or another form of supporting documentation to support the pay since it was approved by the Board.

**Effect**

The Village could be in violation of state law.

**Recommendation**

The Village should require that all employees fill out a timesheet and get it approved by the Mayor before paychecks are issued.

**Response**

The Village will immediately start requiring timesheets and make sure they get the proper approvals before payroll is submitted.

**2023-03      Bank Reconciliations**

**Criteria**

All cash transactions should be properly recorded, reconciled and supporting documentation maintained in accordance with the Village's policies and procedures.

**Condition**

Bank reconciliations were not done throughout the year.

**Cause**

By management not reviewing bank reconciliations on a timely basis, it was not discovered that they were not being completed.

**Effect**

Management and the board were provided with inaccurate financial information throughout the year. It also creates an opportunity for errors and fraud to occur.

**Recommendation**

The Village should strengthen the policies and procedures as they relate to cash to ensure the Village's financial reports are complete and accurate. All bank reconciliations should be done and reviewed within two months after the month ends.

**Response**

The Village will review its procedures over bank reconciliations and make sure they are done timely in the future.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2023 (continued)**

**2023-04      Segregation of Duties**

**Criteria**

Good internal control procedures require that an entity separate certain duties by personnel.

**Condition**

Due to the small number of administrative personnel, the Village did not have adequate segregation of duties.

**Cause**

The Village cannot afford to hire enough people to separate duties.

**Effect**

The Village could be susceptible to misuse of its assets or fraud.

**Recommendation**

The Mayor and/or someone on the Village Council should continue to review bank reconciliations and bank statements each month.

**Response**

The Village feels that the cost of hiring more staff far exceeds its benefits.

**VILLAGE OF KILBOURNE, LOUISIANA**  
**STATUS OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**2022-01      Compliance with Annual Filing Deadline**

Condition Found

The Village did not timely file its annual reports for the year ending June 30, 2023.

Effect

The Village was not in compliance with state statute.

Recommendation to Prevent Future Occurrences

The Village should work with its outside accounting firm to get the financial information ready earlier so that it can be submitted to the Legislative Auditor in a timely manner.

Current Status

The finding was repeated as finding 2023-01.

**2022-02      Compliance with Local Government Budget Act**

Condition

For the year ended June 30, 2022, the Village's General Fund actual expenditures exceeded its budgeted expenditures by more than 5%.

Effect

The Village was not in compliance with the Local Government Budget Act.

Recommendation

The Village should monitor the budget so that it can be amended as needed. The contracted accounting firm should assist the Village with budget amendments.

Current Status

The finding was resolved in 2023.

**2022-03      Prohibited Contractual Arrangements**

Condition

An employee of the Village was contracted to do work outside of his duties as an employee and was paid \$12,300 in addition to being paid as an employee of the Village. This appears to be a violation of Louisiana Revised Statute 42:1113. It is unclear if the employee was contracted to do the work while being paid by the Village, which could be a violation of payroll laws.

Effect

The Village appears to be in violation of state law.

Recommendation

The Village should be aware of laws regarding public employees and not enter into any contracts, subcontracts, or other transactions that would violate state law.

Current Status

The finding was resolved in 2023.

**VILLAGE OF KILBOURNE**  
**KILBOURNE, LOUISIANA**

*Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2023*



MAXWELL CPA, LLC, *Certified Public Accountant*, Sterlington, Louisiana





INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Keith Murray, Mayor; members of the Board of Aldermen of the Village of Kilbourne, Louisiana; and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022, through June 30, 2023. The Village of Kilbourne's management is responsible for those C/C areas identified in the SAUPs.

The Village of Kilbourne has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022, through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***1) Written Policies and Procedures***

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- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:<sup>1</sup>
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
  - iii. ***Disbursements***, including processing, reviewing, and approving.
  - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff

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<sup>1</sup> For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.



- procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
  - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - ix. ***Ethics***<sup>2</sup>, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
  - x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
  - xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Findings:** 48 exceptions found for have no written policies and procedures.

## 2) ***Board or Finance Committee***<sup>3</sup>

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- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

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<sup>2</sup> The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

<sup>3</sup> These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds<sup>4</sup>, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds<sup>5</sup> if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.<sup>6</sup>

**Findings:** One exception for the Village have no budget to actual comparisons.

### 3) **Bank Reconciliations**

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- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts<sup>7</sup> (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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<sup>4</sup>Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

<sup>5</sup> R.S. 24:513 (A)(1)(b)(iv) defines public funds.

<sup>6</sup> No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

<sup>7</sup> Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

**Findings:** Nine exceptions found for two bank reconciliations not being prepared, three bank reconciliations not being prepared or reviewed in time. There were also unresearched items outstanding for more than one year.

#### ***4) Collections (excluding electronic funds transfers)<sup>8</sup>***

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- A. Obtain a listing of deposit sites<sup>9</sup> for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations<sup>10</sup> and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
  - i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - i. Observe that receipts are sequentially pre-numbered.<sup>11</sup>

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<sup>8</sup> The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

<sup>9</sup> A deposit site is a physical location where a deposit is prepared and reconciled.

<sup>10</sup> A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

<sup>11</sup> The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt<sup>12</sup> at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

**Findings:** No exceptions noted.

**5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)***

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- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]*

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

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<sup>12</sup> As required by Louisiana Revised Statute 39:1212.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

**Findings:** No exceptions noted.

#### ***6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)***

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards<sup>13</sup>. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
  - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection)<sup>14</sup>. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for

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<sup>13</sup> Including cards used by school staff for either school operations or student activity fund operations.

<sup>14</sup> For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Findings:** Two exceptions noted for no review of charge statements and one exception noted for a receipt not being located.

#### ***7) Travel and Travel-Related Expense Reimbursements<sup>15</sup> (excluding card transactions)***

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- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
  - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Findings:** Not applicable.

#### ***8) Contracts***

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law<sup>16</sup> (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

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<sup>15</sup> Non-travel reimbursements are not required to be inspected under this category.

<sup>16</sup> If the entity has adopted the state Procurement Code, replace “Louisiana Public Bid Law” with “Louisiana Procurement Code.”

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Findings:** Not applicable.

## **9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials<sup>17</sup> employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - i. Observe that all selected employees or officials<sup>18</sup> documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

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<sup>17</sup> "Officials" would include those elected, as well as board members who are appointed.

<sup>18</sup> Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.



**Findings:** Four exceptions for employees not having timesheets.

#### **10) Ethics<sup>19</sup>**

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Findings:** Two exceptions noted for employees not completing ethics training.

#### **11) Debt Service<sup>20</sup>**

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Findings:** No exceptions noted.

#### **12) Fraud Notice<sup>21</sup>**

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the

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<sup>19</sup> The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

<sup>20</sup> This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

<sup>21</sup> Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at [www.la.gov/hotline](http://www.la.gov/hotline)

misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Findings:** No exceptions noted.

### ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
  - i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
  - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

**Findings:** I performed the procedure and discussed the results with management.

### ***14) Prevention of Sexual Harassment<sup>22</sup>***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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<sup>22</sup> While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
  - i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

**Findings:** Three exceptions noted for no sexual harassment report and two employees not completing the sexual harassment training.

### **Management's Response**

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We agree with the results of the procedures and will address the identified exception.

I was engaged by the Village of Kilbourne to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Village of Kilbourne and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Maxwell CPA, LLC*

Sterlington, Louisiana  
April 24, 2025