

**KILBOURNE VOLUNTEER
FIRE DISTRICT**

Kilbourne, Louisiana

**General Purpose Financial Statements
With Accountant's Compilation Report
And Agreed-Upon Procedures Report
As of and for the Year Ended
June 30, 2004**

PREPARED BY:

JIMMIE SELF, CPA
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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

**KILBOURNE VOLUNTEER
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**KILBOURNE VOLUNTEER FIRE DISTRICT
KILBOURNE, LA**

General Purpose Financial Statements
With Accountant's Compilation Report
And Agreed-Upon Procedures Report
As of and for the Year Ended June 30, 2004

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ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Kilbourne Volunteer Fire District
Kilbourne, Louisiana

I have compiled the accompanying general purpose financial statements as listed in the foregoing Table of Contents of the Kilbourne Volunteer Fire District, a component unit of the West Carroll Parish Police Jury, as of and for the year ended June 30, 2004, in accordance with "Statements on Standards for Accounting and Review Services" issued by the American Institute of Certified Public Accountants.

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

In accordance with the Louisiana Governmental Audit Guide and the provisions of Louisiana state law, I have issued a separate report dated November 29, 2004, on the results of our agreed-upon procedures.

Respectfully submitted,



JIMMIE SELF, CPA
Monroe, Louisiana
November 29, 2004

GENERAL PURPOSE FINANCIAL STATEMENTS

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, LA

STATEMENT A

ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
June 30, 2004

	Governmental Fund Type	ACCOUNT GROUPS		Totals Memorandum Only
		General Fixed Assets	General Long-Term Debt	
	General Fund			
<u>ASSETS AND OTHER DEBITS</u>				
Cash in Bank	\$ 30,789	\$ -	\$ -	\$ 30,789
Investments	50,932	-	-	50,932
Accounts Receivable	3,853	-	-	3,853
Land, Buildings, and Equipment	-	626,320	-	626,320
Amount to be Provided for retirement of General Long-Term Debt	-	-	61,034	61,034
TOTAL ASSETS AND OTHER DEBITS	\$ 85,575	\$ 626,320	\$ 61,034	\$ 772,929
<u>LIABILITIES AND FUND EQUITY:</u>				
LIABILITIES				
Accounts Payable	\$ 677	\$ -	\$ -	\$ 677
Lease Payable	-	-	61,034	61,034
TOTAL LIABILITIES	677	-	61,034	61,711
FUND EQUITY				
Investments in General Fixed Assets	-	626,320	-	626,320
FUND BALANCE				
Undesignated	-	-	-	-
TOTAL FUND BALANCE	84,898	626,320	61,034	772,252
TOTAL LIABILITIES AND FUND EQUITY	\$ 85,575	\$ 626,320	\$ 61,034	\$ 772,929

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S COMPILATION REPORT

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, LA

STATEMENT B

GOVERNMENTAL FUND TYPE - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
June 30, 2004

REVENUES

West Carroll Parish Police Jury Sales Tax	\$ 46,612
Grant	2,131
Interest	905
Miscellaneous	2,801
Total Revenues	<u>\$ 52,449</u>

EXPENDITURES

Current - Public Safety:	
Operating services	33,899
Material and Supplies	5,968
Maintenance of Building	2,777
Utilities	3,177
Total Expenditures	<u>45,821</u>

EXCESS OF EXPENDITURES OVER REVENUES 6,628

FUND BALANCE AT BEGINNING OF YEAR	<u>60,796</u>
PRIOR PERIOD ADJUSTMENT	<u>17,474</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 84,898</u></u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S COMPILATION REPORT.

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, LA

STATEMENT C

GOVERNMENTAL FUND TYPE - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
June 30, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
West Carroll Parish Police Jury Sales Tax	\$ 44,000	\$ 46,612	\$ 2,612
Grant	-	2,131	2,131
2% Insurance Benefits	4,375	-	(4,375)
Interest	650	905	(644)
Miscellaneous	-	2,801	254
Total Revenues	<u>49,025</u>	<u>52,449</u>	<u>3,422</u>
EXPENDITURES			
Current - Public Safety:			
Operating services	31,000	33,899	2,899
Material and Supplies	5,730	5,968	238
Maintenance of Building	2,500	2,777	277
Utilities	3,000	3,177	177
Capital Outlay			-
Water Well	18,500	-	18,500
Total Expenditures	<u>60,730</u>	<u>45,821</u>	<u>14,909</u>
EXCESS OF EXPENDITURES OVER REVENUES	(11,705)	6,628	18,333
FUND BALANCE AT BEGINNING OF YEAR	<u>60,796</u>	<u>60,796</u>	<u>-</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>17,474</u>	<u>17,474</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 49,091</u></u>	<u><u>\$ 84,898</u></u>	<u><u>\$ 35,807</u></u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S COMPILATION REPORT.

NOTES TO FINANCIAL STATEMENTS

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2004

The Kilbourne Volunteer Fire District was established to provide fire protection to an area within and surrounding the towns of Kilbourne and Terry, located in the extreme northeast corner of the Parish of West Carroll, Louisiana. It operates independent of any other parish governing body, but functions under the guidelines set forth by the West Carroll Parish Police Jury. The Kilbourne Volunteer Fire District, hereinafter referred to as the District, operates under the direction of a five-member board of commissioners, two appointed by the West Carroll Parish Police Jury, one elected at large, and two elected from within the Village of Kilbourne. All board members serve without financial compensation.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general-purpose financial statements of the Kilbourne Volunteer Fire District have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish for reporting purposes, the West Carroll Police Jury is the financial entity for West Carroll Parish. The financial entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the West Carroll Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. The criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2004

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Because the Kilbourne Volunteer Fire District is fiscally dependent on the police jury, the district was determined to be a component unit of the West Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed asset and long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with measurement of financial position, not with the measurements of results of operations.

The only fund for the district is the governmental fund. Governmental funds account for the district's general activities, including collection and disbursement of specific or legally restricted monies. The governmental funds are also used for the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include:

1. General Fund – The general operating fund of the district and accounts for all financial activities, except for those required to be accounted for in other funds.

D. BASIS OF ACCOUNTING

The accounting of financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2004

liabilities are generally included on the balance sheet. Operating statements for these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues:

All revenues are recorded when the district is entitled to the funds.

Expenditures:

Expenditures are generally recognized under the modified accrual basis of accounting, when the liability is incurred.

E. BUDGET PRACTICES

The proposed budget, prepared on the GAAP basis of accounting, was prepared and adopted by the board of commissioners in March, 2004. According to state law, the proposed budget should have properly been prepared and adopted no later than June 30, 2003. A general misunderstanding existed among the board members and the accounting personnel of the District concerning the timely manner and procedure for adopting a yearly budget. Instruction has been given to the District management concerning proper budgeting procedures, the timely manner in which the budget is to be prepared and adopted, the 5% limits set by statute for deviation from the proposed budget, and the procedure for amending a budget as necessary. The management of the District has also been informed of information and guidance available to governmental entities from the book, *HANDBOOK FOR MUNICIPAL OFFICIALS IN LOUISIANA* published by the Louisiana Municipal Association. They have also been made aware of the website maintained by the association. The budget is established and controlled by the board of commissioners at the object level of expenditure. All changes in the budget must be approved by the board of commissioners. It is believed that management now has ample information and understanding of the required budgeting process.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements included the original adopted budget. A review of the 2004 budget showed that the amounts budgeted for the year fell within the 5% variance as required.

F. ENCUMBRANCE ACCOUNTING

Encumbrance accounting is not used by the District.

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2004

G. CASH

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the district has demand deposits (book balances) totaling \$30,789.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal amount on deposit with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at June 30, 2004 totaled \$30,789 and are fully secured by the FDIC.

H. INVESTMENTS

Investments are limited by the Louisiana Revised Statute R. S. 33:2955 and the political subdivision's investment policy. If original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. All investments are bank certificates of deposit and are stated at cost. The district has certificates of deposit that total \$50,932 and are fully secured by the FDIC.

I. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets, and injuries to volunteers. To handle such risk of loss, the district maintains coverage on the fire district with Special Risk Insurance, Inc, 9456 Jefferson Highway, Baton Rouge, LA, 70809. The policy covers general liability, property, employee liability, workers compensation, and public officials liability. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2004.

J. FIXED ASSETS

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

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended June 30, 2004

K. COMPENSATED ABSENCES

The district has no paid employees. Therefore there is no policy relating to vacation and sick leave.

L. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated Fund Balances

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

M. SALES TAXES

In 1997 the West Carroll Parish Police Jury passed a ½% sales tax for fire protection in West Carroll Parish. This was a 10-year tax. This tax is divided among the fire protection districts for this purpose and is collected and distributed among the various fire districts of the parish on a monthly basis by the Police Jury. These funds are deposited into a checking account in the Hibernia National Bank in Oak Grove, LA.

N. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not represent the financial position or result of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a compilation.

O. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

KILBOURNE VOLUNTEER FIRE DISTRICT
 Kilbourne, Louisiana
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year ended June 30, 2004

NOTE 2. CASH AND CASH EQUIVALENTS

The Kilbourne Volunteer Fire District maintains its checking accounts in the Hibernia Bank and the West Carroll Community Bank in Oak Grove, Louisiana. The district had balances respectively of \$29,620.54 and \$1168.79 for a total balance in its accounts on June 30, 2004 of \$30,789. The District also maintains a savings account in the Hibernia National Bank of Oak Grove with a balance of \$4965.14 on June 30, 2004. The accounts are insured by the FDIC in amounts up to \$100,000.

NOTE 3. INVESTMENTS

The Kilbourne Volunteer Fire District has certificates of deposit in the West Carroll Community Bank of Oak Grove, LA, and The Eudora Bank of Eudora, AR. These are stated at cost on the enclosed statements. The certificates of deposit had a total balance of \$50,932 on June 30, 2004. All accounts are insured by the FDIC in amounts up to \$100,000.

NOTE 4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance June 30,2003	Additions	Deletions	Balance June 30,2004
Fixed Assets	626,320	0	0	626,320
Total	626,320	0	0	626,320

NOTE 5. CHANGES IN LONG-TERM DEBT

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

<u>Capital Lease</u>	
Long-term debt payable @ 6/30/2003	\$ 72,853
Additions	0
Reductions	(11,819)
Long-term debt payable 6/30/2004	61,034

NOTE 6. CAPITAL LEASE

The District records items under capital leases as an asset and an obligation in the accompanying financial statements. During 1999, the district entered into a capital lease for a fire truck. The lease had an original recorded amount of \$128,200. Lease

KILBOURNE VOLUNTEER FIRE DISTRICT
 Kilbourne, Louisiana
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year ended June 30, 2004

obligations are retired from the General Fund. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments as of June 30, 2004:

2005	\$ 17,131
2006	17,131
2007	17,131
2008	17,131
2009	<u>4,329</u>
Total	72,853
Less amount representing interest	<u>(11,819)</u>
Present value of net minimum lease payments	<u>\$ 61,034</u>

NOTE 7. RELATED PARTY TRANSACTIONS

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

NOTE 8. LITIGATION AND CLAIMS

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

NOTE 9. SUBSEQUENT EVENTS

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

NOTE 10. PRIOR PERIOD ADJUSTMENT

The prior period adjustment on page 3 is a result of a Certificate of Deposit which was not reported in 2003, causing the fund balance to be understated.

SUPPLEMENTARY INFORMATION SCHEDULE

KILBOURNE VOLUNTEER FIRE DISTRICT
Kilbourne, Louisiana

Schedule 1

SCHEDULE OF COMPENSATION PAID COMMISSIONERS
For the year ended June 30, 2004

The names of the commissioners who serve on the board of the Kilbourne Volunteer Fire District are listed below. They all serve without any financial compensation. They are as follows:

James E. Stephens – President

Howard Tullos – Fire Chief

Paul W. Hays – Board Member

Roger Maxwell – Board Member

Donald K. Murray – Board Member

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES

The following Independent Accountant's Report on Applying Agreed-Upon Procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor

JIMMIE SELF, CPA
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Monroe, Louisiana 71201
Phone (318) 323-4656 • Fax (318) 388-0724

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

Board of Directors
Kilbourne Volunteer Fire District
Kilbourne, Louisiana

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the Kilbourne Volunteer Fire District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Kilbourne Volunteer Fire District's compliance with certain laws and regulations during the year ended June 30, 2004 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW

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

There was one expenditure during the period that exceeded \$15,000. A water well was drilled adjacent to firehouse #2 to provide water supplies for the fire trucks, tankers, and pumps. Due to the nature of the project and the many and assorted items and supplies which were brought in from different sources for the completion of the project, it is the opinion of the staff and management of Jimmie Self, CPA, APAC that according to the definition contained in the Handbook for Municipal Officials in Louisiana,

Chapter 12, "The Public Bid Law," published by the Louisiana Municipal Association and citing Louisiana R. S. 38:2212 that the project described was a public works project rather than a single item purchase. The threshold for advertising for public bids on public works projects is \$100,000. It was therefore the opinion of this firm that the District acted well within the guidelines of the statute.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each board member as defined by LSA – RS 42:1101 – 1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

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

All persons involved with the fire district serve on a voluntary basis. The district has no employees and paid no salaries or wages.

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

All persons involved with the district serve on a voluntary basis. The district has no employees.

BUDGETING

5. Obtain a copy of the budget and all amendments.

Management provided us with a copy of the original budget. It was however not prepared and accepted by the board until March 01, 2004, some 9 months past the required date for passage of a budget by the board of directors. The firm of Jimmie Self, CPA, APAC has given the District instruction as to the proper procedure and timing for enacting a budget. We have also made the District aware of the information available from the Louisiana Municipal Association and their publication entitled, *Handbook for Municipal Officials in Louisiana* that contains a section on budgeting requirements.

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

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. The budgeting fell within the 5% limit.

ACCOUNTING AND REPORTING

7. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amounts and payee:

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

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

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

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

Inspection of documentation supporting each of the six selected disbursements indicated that each check had 2 signatures as required by the District Board. The approval of the board in session was found in the minutes for each of the paid items.

MEETINGS

8. Examine evidence indication that agendas for meetings recorded in the minute book were posted or advertised as required by LSA – RS 42:1 through 42:12 (the open meeting law).

The district board met on a regular basis. The announcements for meetings were posted on the door of the firehouse for public inspection according to discussion with Renn Morgan, bookkeeper for the district. These notices were not found in the minutes. Ms. Morgan was informed that in the future a copy of the notice should be retained in the file containing the minutes of the monthly meetings.

DEBT

9. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted that no deposits appeared to be from loan proceeds, bonds, or like indebtedness.

ADVANCES AND BONUSES

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

There were no employees for the fire district. There were no approvals recorded in the minutes that would authorize bonuses, advances, or gifts to be paid to employees.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, *I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.*

This report is intended solely for the use of management of the Kilbourne Volunteer Fire District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,



JIMMIE SELF, CPA
MONROE, LOUISIANA
November 29, 2004

JIMMIE SELF, CPA
A Professional Accounting Corporation
2908 Cameron Street, Suite C
Monroe, Louisiana 71201
Phone (318) 323-4656 • Fax (318) 388-0724

Schedule of Findings
For the Year Ended June 30, 2004

Finding Number 2004-01

The District has not prepared a budget in a timely manner.

Recommendation: The District should prepare a budget in a timely manner.

Conclusion: Although previously cited in the Compilation/Attestation for the year ended June 30, 2003 prepared by Little and Associates in Monroe, La in a report dated October 11, 2003, there still existed a misunderstanding by the board of commissioners concerning the proper procedures and timely requirements for a budget. There was a budget prepared and accepted by the board of commissioners dated March 01, 2004. This, of course, was later than required by the statute.

It was explained to the bookkeeper of record and entity contact, Ms. Renn Morgan, that the budget must be prepared and accepted by the board prior to the beginning of the new fiscal year, in this case, on or before June 30, 2004. It was further suggested that the budget could have been prepared and presented in the regular monthly meetings in May or June, 2004.

It was further explained to Ms. Morgan that the budget should be drafted in such a manner as to fall within 5% of the projections in abiding by the budget. It was further explained that the board has the authority and responsibility to amend the budget within the year so that the revenues and expenditures do fall within the 5% allowance.

It is now believed that the board has a full understanding of what is required concerning the drafting and implementation of an annual budget and that the board will be in compliance with the requirements of the statute in the future.

LOUISIANA ATTESTATION QUESTIONNAIRE

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

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

July 29, 2004

Jimmie Self, CPA
2908 Cameron Street, Suite C
Monroe, LA 71201

Re: LOUISIANA ATTESTATION QUESTIONNAIRE

Dear Mrs. Self,

*In connection with your compilation of our financial statements as of JUNE 30, 2004 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations. These representations are based on the information available to us as of JUNE 30, 2004.*

Public Bid Law

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

Yes [] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No []

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

Yes [] No []

Budgeting

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

Yes [] No []

Accounting and Reporting

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

Yes [] No []

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

Yes [] No []

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

Yes [] No []

Meetings

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

Yes [] No []

Debt

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

Yes [] No []

Advances and Bonuses

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

Yes [] No []

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

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

Secretary _____ Date

Treasurer _____ Date

James C. Stephens
President 10.12.04 Date