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VILLAGE OF GILBERT  
GILBERT, LOUISIANA  
  
GENERAL PURPOSE FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT  
  
FOR THE YEAR ENDED JUNE 30, 1997

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

Release Date DEC 17 1997

VILLAGE OF GILBERT, LOUISIANA  
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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Board of Aldermen  
Village of Gilbert  
Gilbert, Louisiana

We have audited the accompanying general-purpose financial statements of the Village of Gilbert, Louisiana, as of and for the year ended June 30, 1997. These general-purpose financial statements are the responsibility of the Village of Gilbert, Louisiana's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Gilbert, Louisiana, as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 1997, on our consideration of the Village of Gilbert, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Marcus, Robinson & Hassell*

Marcus, Robinson and Hassell  
Winnsboro, Louisiana  
October 28, 1997

VILLAGE OF GILBERT, LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 1997

	<u>Governmental Fund Types</u>			
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>
<b>ASSETS</b>				
Cash	89,131	88,245	19,055	-0-
Receivables:				
Ad-Valorem Taxes	66	-0-	95	-0-
Other	11,730	-0-	-0-	-0-
Restricted Assets:				
Cash	-0-	-0-	-0-	-0-
Due from Other Funds	-0-	-0-	2,948	-0-
Fixed Assets	-0-	-0-	-0-	-0-
Amount Available In Debt Service Fund	-0-	-0-	-0-	-0-
Amount to be Provided for Retirement of General Long-Term Debt	-0-	-0-	-0-	-0-
<u>TOTAL ASSETS</u>	<u>100,927</u>	<u>88,245</u>	<u>22,098</u>	<u>-0-</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts Payable	4,683	-0-	-0-	-0-
Accrued Salaries and Other Expenses	1,263	-0-	-0-	-0-
Payable from Restricted Assets:				
Revenue Bonds - Current	-0-	-0-	-0-	-0-
Revenue Bonds - Long - Term	-0-	-0-	-0-	-0-
Accrued Interest	-0-	-0-	-0-	-0-
Customers' Deposits	-0-	-0-	-0-	-0-
Due to Other Funds	19,811	-0-	-0-	-0-
General Obligation Bonds	-0-	-0-	-0-	-0-
<u>TOTAL LIABILITIES</u>	<u>25,757</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>FUND EQUITY</b>				
Contributed Capital	-0-	-0-	-0-	-0-
Investment in General Fixed Assets	-0-	-0-	-0-	-0-
Retained Earnings:				
Reserved	-0-	-0-	-0-	-0-
Unreserved (deficit)	-0-	-0-	-0-	-0-
Fund Balances:				
Reserved for Debt Service	-0-	-0-	-0-	-0-
Unreserved - Undesignated	75,170	88,245	22,098	-0-
<u>TOTAL FUND EQUITY</u>	<u>75,170</u>	<u>88,245</u>	<u>22,098</u>	<u>-0-</u>
 <u>TOTAL LIABILITIES AND FUND EQUITY</u>	 <u>100,927</u>	 <u>88,245</u>	 <u>22,098</u>	 <u>-0-</u>

Proprietary Fund Type	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	June 30, 1997	June 30, 1996
1,029	-0-	-0-	197,460	203,747
-0-	-0-	-0-	161	511
8,576	-0-	-0-	20,306	87,545
29,078	-0-	-0-	29,078	23,070
16,863	-0-	-0-	19,811	3,311
1,122,373	855,714	-0-	1,978,087	2,014,138
-0-	-0-	-0-	-0-	51,042
-0-	-0-	-0-	-0-	(15,042)
<u>1,177,919</u>	<u>855,714</u>	<u>-0-</u>	<u>2,244,903</u>	<u>2,368,322</u>
2,497	-0-	-0-	7,180	84,691
528	-0-	-0-	1,791	993
16,652	-0-	-0-	16,652	15,842
251,654	-0-	-0-	251,654	270,856
-0-	-0-	-0-	-0-	157
9,410	-0-	-0-	9,410	9,270
-0-	-0-	-0-	19,811	3,311
-0-	-0-	-0-	-0-	36,000
<u>280,741</u>	<u>-0-</u>	<u>-0-</u>	<u>306,498</u>	<u>421,120</u>
1,282,813	-0-	-0-	1,282,813	1,282,813
-0-	855,714	-0-	855,714	848,715
29,078	-0-	-0-	29,078	23,070
(414,713)	-0-	-0-	(414,713)	(406,771)
-0-	-0-	-0-	-0-	51,042
-0-	-0-	-0-	185,513	148,333
<u>897,178</u>	<u>855,714</u>	<u>-0-</u>	<u>1,938,405</u>	<u>1,947,202</u>
<u>1,177,919</u>	<u>855,714</u>	<u>-0-</u>	<u>2,244,903</u>	<u>2,368,322</u>

See Accompanying Notes



VILLAGE OF GILBERT, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1997

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Capital</u> <u>Project</u> <u>Fund</u>	<u>Totals</u> <u>(Memorandum Only)</u>	
					<u>June 30,</u> <u>1997</u>	<u>June 30,</u> <u>1996</u>
<u>REVENUES</u>						
Local Sources:						
Taxes:						
Ad Valorem	5,974	-0-	7,971	-0-	13,945	13,226
Sales and Use	-0-	34,856	-0-	-0-	34,856	41,792
Other	27,528	-0-	-0-	-0-	27,528	31,326
Fines and Forfeitures	43,210	-0-	-0-	-0-	43,210	35,105
Use of Money & Property	1,463	1,709	1,020	-0-	4,192	4,444
Federal Sources:						
Intergovernmental Grants	-0-	-0-	-0-	-0-	-0-	605,654
Other Income	27,935	-0-	-0-	-0-	27,935	23,336
<u>TOTAL REVENUES</u>	<u>106,110</u>	<u>36,565</u>	<u>8,991</u>	<u>-0-</u>	<u>151,666</u>	<u>754,883</u>
<u>EXPENDITURES</u>						
General Government	46,625	325	-0-	-0-	46,950	47,353
Public Safety	32,263	-0-	-0-	-0-	32,263	616,196
Public Works	22,856	-0-	-0-	-0-	22,856	9,371
Culture and Recreation	524	-0-	-0-	-0-	524	476
Debt Service:						
Principal Retirement	-0-	-0-	36,000	-0-	36,000	1,900
Interest and Fiscal Charges	-0-	-0-	1,935	-0-	1,935	1,895
<u>TOTAL EXPENDITURES</u>	<u>102,268</u>	<u>325</u>	<u>37,935</u>	<u>-0-</u>	<u>140,528</u>	<u>677,191</u>
<u>EXCESS (DEFICIENCY) OF</u> <u>REVENUES OVER</u> <u>EXPENDITURES</u>						
	3,842	36,240	(28,944)	-0-	11,138	77,692
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating Transfers In	-0-	-0-	-0-	-0-	-0-	-0-
Operating Transfers Out	-0-	(25,000)	-0-	-0-	(25,000)	(14,500)
<u>TOTAL FINANCING</u> <u>SOURCES (USES)</u>	<u>-0-</u>	<u>(25,000)</u>	<u>-0-</u>	<u>-0-</u>	<u>(25,000)</u>	<u>(14,500)</u>
<u>EXCESS (DEFICIENCY) OF</u> <u>REVENUES AND OTHER SOURCES</u> <u>OVER EXPENDITURES AND</u> <u>OTHER USES</u>						
	3,842	11,240	(28,944)	-0-	(13,862)	63,192
<u>FUND BALANCE BEGINNING</u>	<u>71,328</u>	<u>77,005</u>	<u>51,042</u>	<u>-0-</u>	<u>199,375</u>	<u>136,183</u>
<u>FUND BALANCE ENDING</u>	<u>75,170</u>	<u>88,245</u>	<u>22,098</u>	<u>-0-</u>	<u>185,513</u>	<u>199,375</u>

See Accompanying Notes

VILLAGE OF GILBERT, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 1997

	<u>General Fund</u>			<u>Special Revenue Funds</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>						
Local Sources:						
Taxes:						
Ad Valorem	5,000	5,974	974	-0-	-0-	-0-
Sales and Use	-0-	-0-	-0-	43,000	34,856	(8,144)
Other	29,600	27,528	(2,072)	-0-	-0-	-0-
Fines and Forfeitures	25,000	43,210	18,210	-0-	-0-	-0-
Use of Money and Property	1,000	1,463	463	1,300	1,709	409
Federal Sources:						
Restricted Intergovernmental						
Grants	-0-	-0-	-0-	-0-	-0-	-0-
Other Income	21,300	27,935	6,635	-0-	-0-	-0-
<u>TOTAL REVENUES</u>	<u>81,900</u>	<u>106,110</u>	<u>24,210</u>	<u>44,300</u>	<u>36,565</u>	<u>(7,735)</u>
<u>EXPENDITURES</u>						
General Government	40,000	46,625	( 6,625)	-0-	325	(325)
Public Safety	39,500	32,263	7,237	-0-	-0-	-0-
Public Works	16,700	22,856	(6,156)	-0-	-0-	-0-
Culture and Recreation	1,400	524	876	-0-	-0-	-0-
Debt Service						
Principal Retirement	-0-	-0-	-0-	-0-	-0-	-0-
Interest And Fiscal Charges	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL EXPENDITURES</u>	<u>97,600</u>	<u>102,268</u>	<u>(4,668)</u>	<u>-0-</u>	<u>325</u>	<u>(325)</u>
<u>EXCESS (DEFICIENCY) OF</u>						
<u>REVENUES OVER</u>						
<u>EXPENDITURES</u>	<u>(15,700)</u>	<u>3,842</u>	<u>19,542</u>	<u>44,300</u>	<u>36,240</u>	<u>(8,060)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfer In	15,700	-0-	(15,700)	-0-	-0-	-0-
Transfers Out	-0-	-0-	-0-	(37,274)	(25,000)	12,274
<u>TOTAL OTHER FINANCING</u>						
<u>SOURCES (USES)</u>	<u>15,700</u>	<u>-0-</u>	<u>(15,700)</u>	<u>(37,274)</u>	<u>(25,000)</u>	<u>12,274</u>
<u>EXCESS (DEFICIENCY) OF</u>						
<u>REVENUES OVER EXPENDITURES</u>						
<u>AND OTHER USES</u>	<u>-0-</u>	<u>3,842</u>	<u>3,842</u>	<u>7,026</u>	<u>11,240</u>	<u>4,214</u>
<u>FUND BALANCES BEGINNING</u>						
		<u>71,328</u>			<u>77,005</u>	
<u>FUND BALANCES ENDING</u>						
		<u>75,170</u>			<u>88,245</u>	

<u>Debt Service Fund</u>			<u>Capital Project Fund</u>			<u>Totals</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
7,000	7,971	971	-0-	-0-	-0-	12,000	13,945	1,945
-0-	-0-	-0-	-0-	-0-	-0-	43,000	34,856	(8,144)
-0-	-0-	-0-	-0-	-0-	-0-	29,600	27,528	(2,072)
-0-	-0-	-0-	-0-	-0-	-0-	25,000	43,210	18,210
435	1,020	585	-0-	-0-	-0-	2,735	4,192	1,457
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	21,300	27,935	6,635
<u>7,435</u>	<u>8,991</u>	<u>1,556</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>133,635</u>	<u>151,666</u>	<u>18,031</u>
-0-	-0-	-0-	-0-	-0-	-0-	40,000	46,950	( 6,950)
-0-	-0-	-0-	-0-	-0-	-0-	39,500	32,263	7,237
-0-	-0-	-0-	-0-	-0-	-0-	16,700	22,856	(6,156)
-0-	-0-	-0-	-0-	-0-	-0-	1,400	524	876
2,200	36,000	(33,800)	-0-	-0-	-0-	2,200	36,000	(33,800)
2,000	1,935	65	-0-	-0-	-0-	2,000	1,935	65
<u>4,200</u>	<u>37,935</u>	<u>(33,735)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>101,800</u>	<u>140,528</u>	<u>(38,728)</u>
3,235	(28,944)	(32,179)	-0-	-0-	-0-	31,835	11,138	(20,697)
-0-	-0-	-0-	-0-	-0-	-0-	15,700	-0-	(15,700)
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(37,274)</u>	<u>(25,000)</u>	<u>12,274</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(21,574)</u>	<u>(25,000)</u>	<u>(3,426)</u>
3,235	(28,944)	(32,179)	-0-	-0-	-0-	10,261	(13,862)	(24,123)
	<u>51,042</u>			<u>-0-</u>			<u>199,375</u>	
	<u>22,098</u>			<u>-0-</u>			<u>185,513</u>	

See Accompanying Notes



VILLAGE OF GILBERT, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS -  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1997

	<u>1997</u>	<u>1996</u>
<u>OPERATING REVENUES</u>		
Charges for Services	75,837	83,281
Other Income	<u>17,824</u>	<u>245</u>
<u>TOTAL OPERATING REVENUES</u>	<u>93,661</u>	<u>83,526</u>
<u>OPERATING EXPENSES</u>		
Personal Services	24,823	24,339
Materials, Repairs and Supplies	9,581	11,394
Operational Expenses	30,098	26,857
Depreciation	<u>44,550</u>	<u>44,508</u>
<u>TOTAL OPERATING EXPENSES</u>	<u>109,052</u>	<u>107,098</u>
<u>OPERATING LOSS</u>	( 15,391)	(23,572)
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Tape Fees and Late Charges	1,859	1,833
Interest Earned	582	514
Interest and Fiscal Charges	<u>(13,984)</u>	<u>(14,812)</u>
<u>TOTAL NONOPERATING REVENUES AND (EXPENSES)</u>	<u>(11,543)</u>	<u>(12,465)</u>
<u>NET LOSS BEFORE OPERATING TRANSFERS</u>	(26,934)	(36,037)
<u>OTHER FINANCING SOURCES</u>		
Operating Transfers In	<u>25,000</u>	<u>14,500</u>
<u>NET LOSS</u>	( 1,934)	(21,537)
<u>RETAINED EARNINGS - BEGINNING</u>	<u>(383,701)</u>	<u>(362,164)</u>
<u>RETAINED EARNINGS - ENDING</u>	<u>(385,635)</u>	<u>(383,701)</u>

See Accompanying Notes

VILLAGE OF GILBERT, LOUISIANA  
STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1997

	<u>1997</u>	<u>1996</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Loss	( 1,934)	(21,537)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	44,550	44,508
(Increase) Decrease in:		
Accounts Receivable	(630)	331
Due From Other Funds	(16,500)	-0-
(Decrease) Increase in:		
Accounts Payable	(705)	996
Accrued Salaries and Payroll Taxes	154	-0-
Accrued Interest	(157)	32
Customers' Deposits	140	635
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>24,918</u>	<u>24,965</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Equipment Purchases	(1,500)	-0-
<u>TOTAL CASH FLOWS FROM INVESTING ACTIVITIES</u>	<u>(1,500)</u>	<u>-0-</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Reduction of Long-Term Debt	(18,392)	(17,751)
<u>TOTAL CASH FLOWS FROM FINANCING ACTIVITIES</u>	<u>(18,392)</u>	<u>(17,751)</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>5,026</u>	<u>7,214</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>25,081</u>	<u>17,867</u>
<u>CASH AT END OF YEAR</u>	<u>30,107</u>	<u>25,081</u>
<u>UNRESTRICTED PORTION OF CASH</u>	<u>1,029</u>	<u>2,011</u>
<u>RESTRICTED PORTION OF CASH</u>	<u>29,078</u>	<u>23,070</u>
<u>TOTAL</u>	<u>30,107</u>	<u>25,081</u>

See Accompanying Notes

VILLAGE OF GILBERT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Gilbert, Louisiana, was incorporated under the provision of the Larson Act. The Village operates under a Mayor-Board of Aldermen form of government.

The accounting policies of the Village of Gilbert, Louisiana, conform to generally accepted accounting principles. The following is a summary of such significant policies:

PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY

The financial statements of the Village consist only of the funds and account groups of the Village. The Village has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Village. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

FUND ACCOUNTING

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

GOVERNMENTAL FUNDS

General Fund

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

The Special Revenue Funds account for revenues derived from specific taxes or other earmarked revenue sources.

Debt Service Fund

The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, capitalized lease obligations, interest, and related costs.

Capital Project Funds

Capital Project Funds are used to account for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Principal sources of revenue are federal and state restricted grants.

VILLAGE OF GILBERT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

PROPRIETARY FUNDS

Enterprise Fund

The Water Works and Sewer System Fund is used to account for the operations of the Water and Sewer Utility Enterprise Fund. Enterprise Funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets are normally immovable and of value only to the Village, therefore, the purpose of stewardship for these items is satisfied without recording of these assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Estimate historical costs are based on estimates prepared by the Mayor, Village Clerk and the Board of Aldermen. Estimated historical costs are not based on any independent authoritative source.

Historical Cost	634,722
Estimated Historical Cost	<u>220,992</u>
<u>TOTAL</u>	<u>855,714</u>

Long-Term Liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.



VILLAGE OF GILBERT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Fixed Assets and Long-Term Liabilities-Continued

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund types operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Water Distribution System	40 Years
Sewer Collection System	40 Years
Machinery and Equipment	10 Years

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property Taxes are recorded as revenue when levied even though a portion of the taxes may be collected in subsequent years. Penalties and Interest, Corporation Court and Miscellaneous Revenues are recorded when received in cash because they are generally not measurable until actually received. Franchise Taxes, Sales Taxes, Intergovernmental Revenue, and Interest Income are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. Gross sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time.



VILLAGE OF GILBERT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled Water Works and Sewer System Fund utility service receivables are recorded at year end.

Budgets and Budgetary Accounting

The Board of Aldermen follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to June 30, the Village Clerk submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. The budget is submitted in summary form. In addition, more detailed line item budgets are included for administrative control. The level of control for the detailed budgets is at the department head/function level.
- 2) Public hearings are conducted to obtain taxpayer comment.
- 3) During the month of July the budget is legally enacted through passage of ordinance.
- 4) Budgets for the General, Debt Service, and Special Revenue Funds are adopted on a basis of cash receipts and cash disbursements which is at variance with generally accepted accounting principles.
- 5) Appropriations lapse at the end of each fiscal year.
- 6) The Board of Aldermen may authorize supplemental appropriations during the year. No supplemental appropriations were made during the fiscal year 1996.

Investments

Investments are stated at cost or amortized cost, which approximates market. The Village had no investments at the close of the fiscal year.

Inventories

Inventory held by the Water Works and Sewer System Fund is priced at the lower of cost (first-in-first-out) or market. Inventories shown in the General Fund consist of gasoline and office supplies held for consumption. Inventory acquisitions in the General Fund are recorded in expense accounts initially and

VILLAGE OF GILBERT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

charged as current assets when not used at the end of the fiscal year. Minimum amounts of inventory are not maintained, therefore, equity reserves for inventory have not been established. The cost value of such inventories was immaterial at the close of the fiscal year and, accordingly, was not recorded in these financial statements.

Restricted Assets

These assets consist of cash and cash equivalents restricted for Water Works and Sewer System Fund debt service.

Reserves

The Village records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use. Following is a list of all reserves and a description of each:

Reserved for Revenue Bond Debt Service - An account used to segregate a portion of funds balance for debt service resources legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.

Reserved for Revenue Bond Retirement - An account used to segregate a portion of fund balance for debt service resources restricted to the payment of long-term debt principal and interest amounts maturing in the future years when sufficient amounts are not reserved in bond debt service accounts.

Reserved for revenue bond contingency - An account used to segregate a portion of fund balance for debt service resources restricted to the payment of long-term debt principal and interest amounts maturing in the future years when sufficient amounts are not reserved in the bond debt service and bond retirement reserve accounts.

Revenue Recognition - Property Taxes

Property Taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, and are due and payable on or before December 31. All unpaid taxes levied October 1 become delinquent February 1 of the following year.

Property Tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

Compensated Absences

A total of 15 days vacation and sick leave per year may be accumulated by each employee, however, employees are not paid for the accumulated sick leave upon retirement or other termination and all days accumulated at December 31, expire each year. The amount to be accrued is immaterial to the financial statements. Thus, this liability was not accrued.

VILLAGE OF GILBERT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Deficit Fund Balance - Retained Earnings

The Enterprise Fund - Water and Sewer at June 30, 1997 continued to have a deficit amount in its retained earnings account. For the year ended June 30, 1997, the current operating deficits were 1,934. The mayor and council are currently considering alternatives to erasing the deficit. The deficit balance in the Retained Earnings account at June 30, 1997 was 385,635.

Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.

Cash and Cash Equivalents

Cash and cash equivalents includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the Village must deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - CASH

For the purposes of these financial statements, the Village considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

Cash is classified into three categories to give an indication of the level of risk assumed at year-end. Category 1 includes investments insured or registered or securities which are held by the Village or its agent in the Village's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the bank or agent in the Village's name. Category 3 includes uninsured or unregistered investments with the securities held by the bank or agent but not in the Village's name.



VILLAGE OF GILBERT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1997

NOTE 2 - CASH

The carrying amount of the Village's deposits with the financial institutions was 231,354 and the book balance was 226,438. The carrying amount is categorized as follows:

	Category		
	1	2	3
Cash	100,000	-0-	150,000

NOTE 3 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Tax notices are usually mailed during November of each year and become delinquent after December 31 of the year. All property taxes are recognized in compliance with NCGA Interpretation - 3 (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no later than sixty days after the close of the current period. For the year ended June 30, 1997, taxes of 14.58 mills were levied on property with assessed valuations totaling 947,751 were dedicated as follows:

General Fund	5.96 Mills
Sewer District	4.31 Mills
Sewer District #1	4.31 Mills

Total taxes levied in 1997 were 13,818.

NOTE 4 - RECEIVABLES - OTHER

A summary of other receivables as of June 30, 1997, follows:

General Fund	
Fines	11,730
Enterprise Fund Water/Sewerage	
Trade Accounts	9,027
Allowance for Doubtful Accounts	<u>(451)</u>
Total Enterprise Fund Water/Sewerage	<u>8,576</u>
<u>TOTAL ALL FUNDS</u>	<u>20,306</u>

NOTE 5 - ALLOWANCE FOR DOUBTFUL ACCOUNTS

Allowance for Doubtful Accounts for the Proprietary Fund - Water/Sewer Receivable Accounts have been established at 5% of the outstanding water accounts at June 30, 1997.

VILLAGE OF GILBERT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1997

NOTE 6 - FIXED ASSETS

A schedule of the composition of fixed assets is as follows:

	<u>Balance</u> <u>7/1/96</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Balance</u> <u>6/30/97</u>
Land	11,390	-0-	-0-	11,390
Buildings	22,731	-0-	-0-	22,731
Capital Improvements	665,556	-0-	-0-	665,556
Furniture & Equipment	21,979	-0-	-0-	21,979
Police Equipment	21,274	-0-	-0-	21,274
Fire Equipment	101,340	1,949	-0-	103,289
Street Equipment	-0-	5,050	-0-	5,050
Community Center Equip.	4,445	-0-	-0-	4,445
<u>TOTAL</u>	<u>848,715</u>	<u>6,999</u>	<u>-0-</u>	<u>855,714</u>

A summary of Proprietary Fund type property, plant, and equipment at June 30, 1997:

Plant and Equipment	998,433
Water and Sewer Systems	336,594
Sewer Collection System	436,200
	<u>1,771,227</u>
Less: Accumulated Depreciation	648,854
Net Property, Plant and Equipment	<u>1,122,373</u>

Depreciation for the year totaled 44,550.

NOTE 7 - CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Village for the fiscal year ended June 30, 1997:

	<u>Payable</u> <u>at 7/1/96</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/97</u>
General Obligation:				
Bonds Payable	36,000	-0-	36,000	-0-
Enterprise Fund Debt:				
Revenue Bonds	286,698	-0-	18,392	268,306
<u>TOTAL</u>	<u>322,698</u>	<u>-0-</u>	<u>54,392</u>	<u>268,306</u>



VILLAGE OF GILBERT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1997

NOTE 7 - CHANGES IN LONG-TERM DEBT - CONTINUED

Revenue Bonds payable at June 30, 1997 are comprised of the following individual issues:

Revenue Bond -

750,000 Series Water and Sewer System Revenue Bonds due in monthly installments of 2,485 through September, 2009, interest rate at 5%. 268,306

Revenue Bonds Payable at June 30, 1997 268,306

The annual requirements to amortize all debt outstanding as of June 30, 1997 including interest payments of 91,970 are as follows:

Annual Requirements to Amortize Long-Term Debt  
June 30, 1997

Year Ending June 30,	<u>Revenue</u>
1998	29,816
1999	29,816
2000	29,816
2001	29,816
2002	29,816
Thereafter	<u>211,196</u>
<u>TOTAL</u>	<u>360,276</u>

Interest expense for the year was 15,919.

The ordinances authorizing the issuance of Water Works and Sewer System Revenue Bonds created the Interest and Sinking Fund, the Reserve Fund and the Emergency Fund. The gross revenues of the Water Works and Sewer System, after deduction of reasonable expenses of operations and maintenance, are pledged to such funds in amounts equal to the total annual principal and interest requirements of the bonds and amounts required to maintain the Reserve Fund and Emergency Fund.

During the year ended June 30, 1997, the Village paid off \$34,000 of General Obligation Bonds prior to their maturity. By doing this, the Village was able to remove two millages of 4.31 mills each off the tax rolls for the 1997 tax year.

NOTE 8 - ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

VILLAGE OF GILBERT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1997

NOTE 9 - INTERFUND TRANSACTIONS

During the course of normal operations, the Village has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental and proprietary type fund financial statements generally reflect such transactions as transfers.

Individual fund interfund receivable and payable balances at June 30, 1997 arising from these transactions as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Debt Service Fund	2,948	-0-
General Fund	-0-	19,811
Enterprise Fund	16,863	-0-

NOTE 10 - CONTRIBUTED CAPITAL

During the year, contributed capital had no change.

NOTE 11 - LITIGATION AND CONTINGENCIES

Litigation

There was no pending litigation at June 30, 1997.

NOTE 12 - POST EMPLOYMENT BENEFITS

The Village does not provide continuing health care and life insurance benefits for retirees.

NOTE 13 - LEASES

The Village records assets acquired through capital leases as an asset and records the lease as an obligation. The Village had no leases outstanding as of June 30, 1997.

# MARCUS, ROBINSON and HASSELL

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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Mayor and Board of Aldermen  
Village of Gilbert  
Gilbert, Louisiana

We have audited the financial statements of the Village of Gilbert, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated October 28, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Village of Gilbert, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Gilbert, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Aldermen, and the Legislative Auditor of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Marcus, Robinson & Hassell*

Marcus, Robinson and Hassell  
October 28, 1997

VILLAGE OF GILBERT, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 1997

<u>GRANT</u>	<u>FINDING/NONCOMPLIANCE</u>	<u>QUESTIONED COST</u>
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Of the items tested there were no findings or questioned costs.

VILLAGE OF GILBERT, LOUISIANA  
SCHEDULE OF COMPENSATION PAID MAYOR AND BOARD OF ALDERMEN  
FOR THE YEAR ENDED JUNE 30, 1997

<u>NAME</u>	<u>AMOUNT</u>
Louis Ezell - Mayor	2,805
E.L. Tackel - Alderman	630
Don Englerth - Alderman	375
Nathan Roberts - Alderman	<u>375</u>
<u>TOTAL</u>	<u>4,185</u>