

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2896
TELEPHONE 322-8106
MONROE, LOUISIANA 71207-2896

Harvey Marcus, CPA
John Robinson, CPA
Doyle Hassell, CPA

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

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, 1996. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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, 1996 and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Gilbert, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
November 25, 1996

VILLAGE OF GILBERT, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1996

	<u>Governmental Fund Types</u>			
	<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>
ASSETS				
Cash	76,939	77,005	47,792	-0-
Receivables:				
Ad-Valorem Taxes	209	-0-	302	-0-
Other	3,208	-0-	-0-	76,391
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>80,356</u>	<u>77,005</u>	<u>51,042</u>	<u>76,391</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	5,098	-0-	-0-	76,391
Accrued Salaries and Other Expenses	619	-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	3,311	-0-	-0-	-0-
General Obligation Bonds	-0-	-0-	-0-	-0-
<u>TOTAL LIABILITIES</u>	<u>9,028</u>	<u>-0-</u>	<u>-0-</u>	<u>76,391</u>
FUND EQUITY				
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-	51,042	-0-
Unreserved - Undesignated	71,328	77,005	-0-	-0-
<u>TOTAL FUND EQUITY</u>	<u>71,328</u>	<u>77,005</u>	<u>51,042</u>	<u>-0-</u>
<u>TOTAL LIABILITIES AND FUND</u> <u>EQUITY</u>	<u>80,356</u>	<u>77,005</u>	<u>51,042</u>	<u>76,391</u>

Proprietary Fund Type	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	June 30, 1996	June 30, 1995
Enterprise Fund				
2,011	-0-	-0-	203,747	151,336
-0-	-0-	-0-	511	154
7,946	-0-	-0-	87,545	13,233
23,070	-0-	-0-	23,070	16,929
363	-0-	-0-	3,311	3,311
1,165,423	848,715	-0-	2,014,138	1,465,880
-0-	-0-	51,042	51,042	45,546
-0-	-0-	(15,042)	(15,042)	(7,646)
<u>1,198,813</u>	<u>848,715</u>	<u>36,000</u>	<u>2,368,322</u>	<u>1,688,743</u>
3,202	-0-	-0-	84,691	20,317
374	-0-	-0-	993	1,225
15,842	-0-	-0-	15,842	10,000
270,856	-0-	-0-	270,856	294,449
157	-0-	-0-	157	125
9,270	-0-	-0-	9,270	8,635
-0-	-0-	-0-	3,311	3,311
-0-	-0-	36,000	36,000	37,900
299,701	-0-	36,000	421,120	375,962
1,282,813	-0-	-0-	1,282,813	1,282,813
-0-	848,715	-0-	848,715	255,949
8,188	-0-	-0-	23,070	16,929
(391,889)	-0-	-0-	(406,771)	(379,093)
-0-	-0-	-0-	51,042	45,546
-0-	-0-	-0-	148,333	90,637
<u>899,112</u>	<u>848,715</u>	<u>-0-</u>	<u>1,947,202</u>	<u>1,312,781</u>
<u>1,198,813</u>	<u>848,715</u>	<u>36,000</u>	<u>2,368,322</u>	<u>1,688,743</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, 1996

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Fund	Totals (Memorandum Only)	
					June 30, 1996	June 30, 1995
REVENUES						
Local Sources:						
Taxes:						
Ad Valorem	5,403	-0-	7,823	-0-	13,226	12,090
Sales and Use	-0-	41,792	-0-	-0-	41,792	40,484
Other	31,326	-0-	-0-	-0-	31,326	31,235
Fines and Forfeitures	35,105	-0-	-0-	-0-	35,105	74,213
Use of Money & Property	1,550	1,426	1,468	-0-	4,444	3,162
Federal Sources:						
Intergovernmental Grants	15,000	-0-	-0-	590,654	605,654	15,000
Other Income	23,336	-0-	-0-	-0-	23,336	9,857
<u>TOTAL REVENUES</u>	<u>111,720</u>	<u>43,218</u>	<u>9,291</u>	<u>590,654</u>	<u>754,883</u>	<u>186,041</u>
EXPENDITURES						
General Government	47,010	343	-0-	-0-	47,353	49,449
Public Safety	25,542	-0-	-0-	590,654	616,196	50,445
Public Works	9,371	-0-	-0-	-0-	9,371	8,491
Culture and Recreation	476	-0-	-0-	-0-	476	866
Debt Service:						
Principal Retirement	-0-	-0-	1,900	-0-	1,900	2,100
Interest and Fiscal Charges	-0-	-0-	1,895	-0-	1,895	2,000
<u>TOTAL EXPENDITURES</u>	<u>82,399</u>	<u>343</u>	<u>3,795</u>	<u>590,654</u>	<u>677,191</u>	<u>113,351</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	29,321	42,875	5,496	-0-	77,692	72,690
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-0-	-0-	-0-	-0-	-0-	10,500
Operating Transfers Out	-0-	(14,500)	-0-	-0-	(14,500)	(22,000)
<u>TOTAL FINANCING SOURCES (USES)</u>	<u>-0-</u>	<u>(14,500)</u>	<u>-0-</u>	<u>-0-</u>	<u>(14,500)</u>	<u>(11,500)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES						
	29,321	28,375	5,496	-0-	63,192	61,190
<u>FUND BALANCE BEGINNING</u>	<u>42,007</u>	<u>48,630</u>	<u>45,546</u>	<u>-0-</u>	<u>136,183</u>	<u>74,993</u>
<u>FUND BALANCE ENDING</u>	<u>71,328</u>	<u>77,005</u>	<u>51,042</u>	<u>-0-</u>	<u>199,375</u>	<u>136,183</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, 1996

	<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	5,403	403	-0-	-0-	-0-
Sales and Use	-0-	-0-	-0-	41,525	41,792	267
Other	29,000	31,326	2,326	-0-	-0-	-0-
Fines and Forfeitures	35,000	35,105	105	-0-	-0-	-0-
Use of Money and Property	425	1,550	1,125	685	1,426	741
Federal Sources:						
Restricted Intergovernmental						
Grants	-0-	15,000	15,000	-0-	-0-	-0-
Other Income	15,300	23,336	8,036	-0-	-0-	-0-
<u>TOTAL REVENUES</u>	<u>84,725</u>	<u>111,720</u>	<u>26,995</u>	<u>42,210</u>	<u>43,218</u>	<u>1,008</u>
<u>EXPENDITURES</u>						
General Government	41,000	47,010	(6,010)	-0-	343	(343)
Public Safety	41,500	25,542	15,958	-0-	-0-	-0-
Public Works	16,500	9,371	7,129	-0-	-0-	-0-
Culture and Recreation	2,400	476	1,924	-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>101,400</u>	<u>82,399</u>	<u>19,001</u>	<u>-0-</u>	<u>343</u>	<u>(343)</u>
<u>EXCESS (DEFICIENCY) OF</u>						
<u>REVENUES OVER</u>						
<u>EXPENDITURES</u>	(16,675)	29,321	45,996	42,210	42,875	665
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfer In	16,675	-0-	(16,675)	-0-	-0-	-0-
Transfers Out	-0-	-0-	-0-	(38,939)	(14,500)	24,439
<u>TOTAL OTHER FINANCING</u>						
<u>SOURCES (USES)</u>	<u>16,675</u>	<u>-0-</u>	<u>(16,675)</u>	<u>(38,939)</u>	<u>(14,500)</u>	<u>24,439</u>
<u>EXCESS (DEFICIENCY) OF</u>						
<u>REVENUES OVER EXPENDITURES</u>						
<u>AND OTHER USES</u>	-0-	29,321	29,321	3,271	28,375	25,104
<u>FUND BALANCES BEGINNING</u>						
		<u>42,007</u>			<u>48,630</u>	
<u>FUND BALANCES ENDING</u>						
		<u>71,328</u>			<u>77,005</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	7,823	823	-0-	-0-	-0-	12,000	13,226	1,226
-0-	-0-	-0-	-0-	-0-	-0-	41,525	41,792	267
-0-	-0-	-0-	-0-	-0-	-0-	29,000	31,326	2,326
-0-	-0-	-0-	-0-	-0-	-0-	35,000	35,105	105
435	1,468	1,033	-0-	-0-	-0-	1,545	4,444	2,899
-0-	-0-	-0-	600,000	590,654	(9,346)	600,000	605,654	5,654
-0-	-0-	-0-	-0-	-0-	-0-	15,300	23,336	8,036
<u>7,435</u>	<u>9,291</u>	<u>1,856</u>	<u>600,000</u>	<u>590,654</u>	<u>(9,346)</u>	<u>734,370</u>	<u>754,883</u>	<u>20,513</u>
-0-	-0-	-0-	-0-	-0-	-0-	41,000	47,353	(6,353)
-0-	-0-	-0-	600,000	590,654	9,346	641,500	616,196	25,304
-0-	-0-	-0-	-0-	-0-	-0-	16,500	9,371	7,129
-0-	-0-	-0-	-0-	-0-	-0-	2,400	476	1,924
2,200	1,900	300	-0-	-0-	-0-	2,200	1,900	300
<u>2,000</u>	<u>1,895</u>	<u>105</u>	-0-	-0-	-0-	<u>2,000</u>	<u>1,895</u>	<u>105</u>
<u>4,200</u>	<u>3,795</u>	<u>405</u>	<u>600,000</u>	<u>590,654</u>	<u>9,346</u>	<u>705,600</u>	<u>677,191</u>	<u>28,409</u>
3,235	5,496	2,261	-0-	-0-	-0-	28,770	77,692	48,922
-0-	-0-	-0-	-0-	-0-	-0-	16,675	-0-	(16,675)
-0-	-0-	-0-	-0-	-0-	-0-	(38,939)	(14,500)	24,439
-0-	-0-	-0-	-0-	-0-	-0-	(22,264)	(14,500)	7,764
3,235	5,496	2,261	-0-	-0-	-0-	6,506	63,192	56,686
	<u>45,546</u>			<u>-0-</u>			<u>136,183</u>	
	<u>51,042</u>			<u>-0-</u>			<u>199,375</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, 1996

	<u>1996</u>	<u>1995</u>
<u>OPERATING REVENUES</u>		
Charges for Services	83,281	85,111
Other Income	245	393
<u>TOTAL OPERATING REVENUES</u>	<u>83,526</u>	<u>85,504</u>
<u>OPERATING EXPENSES</u>		
Personal Services	24,339	25,240
Materials, Repairs and Supplies	11,394	5,963
Operational Expenses	26,857	27,892
Depreciation	44,508	44,508
<u>TOTAL OPERATING EXPENSES</u>	<u>107,098</u>	<u>103,603</u>
<u>OPERATING LOSS</u>	(23,572)	(18,099)
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Tape Fees and Late Charges	1,833	1,835
Interest Earned	514	388
Interest and Fiscal Charges	(14,812)	(15,675)
<u>TOTAL NONOPERATING REVENUES AND</u> <u>(EXPENSES)</u>	<u>(12,465)</u>	<u>(13,452)</u>
<u>NET LOSS BEFORE OPERATING TRANSFERS</u>	(36,037)	(31,551)
<u>OTHER FINANCING SOURCES</u>		
Operating Transfers In	14,500	11,500
<u>NET LOSS</u>	(21,537)	(20,051)
<u>RETAINED EARNINGS - BEGINNING</u>	<u>(362,164)</u>	<u>(342,113)</u>
<u>RETAINED EARNINGS - ENDING</u>	<u>(383,701)</u>	<u>(362,164)</u>

See Accompanying Notes

VILLAGE OF GILBERT, LOUISIANA
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1996

	<u>1996</u>	<u>1995</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Loss	(21,537)	(20,051)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	44,508	44,508
(Increase) Decrease in:		
Accounts Receivable	331	577
Due From Other Funds	-0-	(363)
(Decrease) Increase in:		
Accounts Payable	996	(2,900)
Accrued Salaries and Payroll Taxes	-0-	75
Accrued Interest	32	(227)
Customers' Deposits	635	(110)
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>24,965</u>	<u>21,509</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Sewer Collection System	-0-	(14,637)
<u>TOTAL CASH FLOWS FROM INVESTING ACTIVITIES</u>	<u>-0-</u>	<u>(14,637)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Contribution from Intergovernmental Grant	-0-	15,000
Reduction of Long-Term Debt	(17,751)	(16,630)
<u>TOTAL CASH FLOWS FROM FINANCING ACTIVITIES</u>	<u>(17,751)</u>	<u>(1,630)</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>7,214</u>	<u>5,242</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>17,867</u>	<u>12,625</u>
<u>CASH AT END OF YEAR</u>	<u>25,081</u>	<u>17,867</u>
<u>UNRESTRICTED PORTION OF CASH</u>	<u>2,011</u>	<u>938</u>
<u>RESTRICTED PORTION OF CASH</u>	<u>23,070</u>	<u>16,929</u>
<u>TOTAL</u>	<u>25,081</u>	<u>17,867</u>

See Accompanying Notes

VILLAGE OF GILBERT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

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 Alderman 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, 1996

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	627,723
Estimated Historical Cost	<u>220,992</u>
<u>TOTAL</u>	<u>848,715</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, 1996

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, 1996

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 14 days vacation and 14 days of 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, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Deficit Fund Balance - Retained Earnings

The Enterprise Fund - Water and Sewer at June 30, 1996 continued to have a deficit amount in its retained earnings account. For the year ended June 30, 1996, the current operating deficits were 21,537. The mayor and council are currently considering alternatives to erasing the deficit. The deficit balance in the Retained Earnings account at June 30, 1996 was 383,701.

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 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 in checking accounts, savings accounts, and certificates of deposit to be cash and cash equivalents.

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, 1995

NOTE 2 - CASH

The carrying amount of the Village's deposits with the financial institutions was 276,660 and the book balance was 226,716. The carrying amount is categorized as follows:

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

At June 30, 1996, the Village of Gilbert, Louisiana, had 26,660 of uncollateralized funds in the bank. Thus, the Village of Gilbert, Louisiana, is in noncompliance with the requirement that all funds be collateralized.

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, 1996, taxes of 14.58 mills were levied on property with assessed valuations totaling 915,935 were dedicated as follows:

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

Total taxes levied in 1996 were 13,354.

NOTE 4 - RECEIVABLES - OTHER

A summary of other receivables as of June 30, 1996, follows:

Capital Project Fund	
LCDBG Project	76,391
General Fund	
Fines	3,208
Enterprise Fund Water/Sewerage	
Trade Accounts	8,364
Allowance for Doubtful Accounts	(418)
Total Enterprise Fund Water/Sewerage	7,946
<u>TOTAL ALL FUNDS</u>	<u>87,545</u>

VILLAGE OF GILBERT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

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, 1996. All other receivables for the Village are considered to be fully collectible and, accordingly, no allowance has been established for those receivables.

NOTE 6 - FIXED ASSETS

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

	<u>Balance</u> <u>7/1/95</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Balance</u> <u>6/30/96</u>
Land	11,390	-0-	-0-	11,390
Buildings	22,731	-0-	-0-	22,731
Capital Improvements	74,902	590,654	-0-	665,556
Furniture & Equipment	21,979	-0-	-0-	21,979
Police Equipment	19,162	2,112	-0-	21,274
Fire Equipment	101,340	-0-	-0-	101,340
Community Center Equip.	4,445	-0-	-0-	4,445
<u>TOTAL</u>	<u>255,949</u>	<u>592,766</u>	<u>-0-</u>	<u>848,715</u>

A summary of Proprietary Fund type property, plant, and equipment at June 30, 1996:

Plant and Equipment	996,933
Water and Sewer Systems	336,594
Sewer Collection System	436,200
	<u>1,769,727</u>
Less: Accumulated Depreciation	604,304
Net Property, Plant and Equipment	<u>1,165,423</u>

Depreciation for the year totaled 44,508.

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, 1996:

	<u>Payable</u> <u>at 7/1/95</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/96</u>
General Obligation:				
Bonds Payable	37,900	-0-	1,900	36,000
Enterprise Fund Debt:				
Revenue Bonds	304,449	-0-	17,751	286,698
<u>TOTAL</u>	<u>342,349</u>	<u>-0-</u>	<u>19,651</u>	<u>322,698</u>

VILLAGE OF GILBERT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 7 - CHANGES IN LONG-TERM DEBT - CONTINUED

General Obligation and Revenue Bonds payable at June 30, 1996 are comprised of the following individual issues:

General Obligation Bonds -		
78,000 Serial Bonds due in annual principal installments of 1,000 through March, 2014, interest rate at 5%		18,000
78,000 Serial Bonds due in annual principal installments of 1,000 through March, 2014, interest at 5%.		<u>18,000</u>
General Obligation Bonds Payable at June 30, 1996		36,000
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%.		<u>286,698</u>
Revenue Bonds Payable at June 30, 1996		<u>286,698</u>
Total Bonds Payable at June 30, 1996		<u>322,698</u>

The annual requirements to amortize all debt outstanding as of June 30, 1996 including interest payments of 280,562 are as follows:

Annual Requirements to Amortize Long-Term Debt
June 30, 1996

Year Ending June 30,	General Obligation	Revenue	Total
1997	3,900	29,816	33,716
1998	3,850	29,816	33,666
1999	3,800	29,816	33,616
2000	3,750	29,816	33,566
2001	3,700	29,816	33,516
Thereafter	<u>43,550</u>	<u>391,630</u>	<u>435,180</u>
<u>TOTAL</u>	<u>62,550</u>	<u>540,710</u>	<u>603,260</u>

As of June 30, 1996, 51,042 is available to service the General Obligation Bonds.

Interest expense for the year was 16,707.

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.

VILLAGE OF GILBERT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

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.

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, 1996 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-	3,311
Enterprise Fund	363	-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, 1996.

Grant Audit

The Village receives State Grants for specific purposes that are subject to review and audit by the State agencies. Such audits could result in a request for reimbursement by the State for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the Mayor and Village Clerk, such disallowances, if any, will not be significant.

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, 1996.

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2896
TELEPHONE 322-8106
MONROE, LOUISIANA 71207-2896

Harvey Marcus, CPA
John Robinson, CPA
Doyle Hassell, CPA

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

INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL STRUCTURE

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

We have audited the general purpose financial statements of Village of Gilbert, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 25, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

The management of Village of Gilbert, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Village of Gilbert, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the

risk that errors and irregularities in amounts that would be material in relation the general purpose 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 structure and its operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Village of Gilbert, Louisiana, in a separate letter dated November 25, 1996.

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

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
November 25, 1996

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2896
TELEPHONE 322-8106
MONROE, LOUISIANA 71207-2896

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

Harvey Marcus, CPA
John Robinson, CPA
Doyle Hassell, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS 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 general purpose financial statements of the Village of Gilbert, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 25, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to the Village of Gilbert, Louisiana, is the responsibility of the Village of Gilbert, Louisiana's, management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Village of Gilbert, Louisiana's, compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Village of Gilbert, Louisiana, in a separate letter dated November 25, 1996.

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

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
November 25, 1996

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2896
TELEPHONE 322-8106
MONROE, LOUISIANA 71207-2896

Harvey Marcus, CPA
John Robinson, CPA
Doyle Hassell, CPA

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

INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

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

We have audited the general purpose financial statements of the Village of Gilbert, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 25, 1996. 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, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Village of Gilbert, Louisiana, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
November 25, 1996

VILLAGE OF GILBERT, LOUISIANA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1996

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>
<u>MAJOR PROGRAM</u>		
U.S. Department of Agriculture		
***Loan Program:		
Farmer's Home Administration	10.418	-0-
<u>TOTAL U.S. DEPARTMENT OF AGRICULTURE</u>		
<u>MAJOR PROGRAM</u>		
Community Development		
Block Grant	14.228	605,654
<u>TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT</u>		
<u>TOTAL FEDERAL FINANCIAL ASSISTANCE</u>		

Loan Program

At June 30, 1996, the Village of Gilbert, Louisiana, had three loans outstanding with Farmer's Home Administration having a combined balance due of 322,698.

<u>Balance</u> <u>7/1/95</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance</u> <u>6/30/96</u>
<u>-0-</u> <u>-0-</u>	<u>-0-</u> <u>-0-</u>	<u>-0-</u> <u>-0-</u>	<u>-0-</u> <u>-0-</u>
<u>-0-</u>	<u>605,654</u>	<u>605,654</u>	<u>-0-</u>
<u>-0-</u>	<u>605,654</u>	<u>605,654</u>	<u>-0-</u>
<u>-0-</u>	<u>605,654</u>	<u>605,654</u>	<u>-0-</u>

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2896
TELEPHONE 322-8106
MONROE, LOUISIANA 71207-2896

Harvey Marcus, CPA
John Robinson, CPA
Doyle Hassell, CPA

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

SINGLE AUDIT REPORT ON INTERNAL CONTROL STRUCTURE

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

We have audited the general purpose financial statements of the Village of Gilbert, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 25, 1996. We have also audited the Village of Gilbert, Louisiana's, compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated November 25, 1996.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Village of Gilbert, Louisiana, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of Village of Gilbert, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of Village of Gilbert, Louisiana, and on the compliance of Village of Gilbert, Louisiana, with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 25, 1996.

The management of the Village of Gilbert, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations.

Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operations of policies and procedures may deteriorate.

For the purpose of this report, We have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

1. Activity Cycles
 - Revenue/Receipts
 - Purchases/Disbursements
2. Accounting Applications
 - Cash Receipts
 - Accounts Payable
 - Cash Disbursements
 - Payroll
 - Property and Equipment
 - General Ledger
3. Controls used in administering compliance with laws and regulations
 - General Controls
 - Specific Controls
4. General Requirements
 - Political Activity
 - Davis-Bacon Act
 - Civil Rights
 - Cash Management
 - Relocation Assistance and Real Property Acquisition
 - Federal Financial Report
 - Allowable Costs/Cost Principles
 - Drug-Free Workplace Act
 - Administrative Requirements
5. Specific Requirements
 - Types of Services
 - Special Reporting
 - Special Requirements
6. Claims for Advances and Reimbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the Village of Gilbert, Louisiana, expended 100 percent of its total federal financial assistance under major federal assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Village of Gilbert, Louisiana's, major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Village of Gilbert, Louisiana's, ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

The following is a reportable condition:

Inadequate Segregation of Accounting Functions - The system of internal control is weakened in the accounting department of the Village of Gilbert, Louisiana because the entity is small and does not have adequate separation of duties. We considered these weaknesses of internal controls and designed appropriate additional substantive audit tests.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of Village of Gilbert, Louisiana, in a separate letter dated November 25, 1996.

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

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
November 25, 1996

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2896
TELEPHONE 322-8106
MONROE, LOUISIANA 71207-2896

Harvey Marcus, CPA
John Robinson, CPA
Doyle Hassell, CPA

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

SINGLE AUDIT REPORT ON COMPLIANCE WITH GENERAL REQUIREMENTS
APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

We have audited the general purpose financial statements of the Village of Gilbert, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 25, 1996.

We have applied procedures to test the Village of Gilbert, Louisiana's, compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the accompanying Schedule of Federal Assistance, for the year ended June 30, 1996.

- Political Activity
- Davis-Bacon Act
- Civil Rights
- Cash Management
- Relocation Assistance and Real Property Acquisition
- Federal Financial Reporting
- Allowable Costs/Cost Principles
- Drug-Free Workplace Act
- Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Village of Gilbert, Louisiana's, compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Village of Gilbert, Louisiana, had not complied, in all material respects, with those requirements.

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

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
November 25, 1996

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2896
TELEPHONE 322-8106
MONROE, LOUISIANA 71207-2896

Harvey Marcus, CPA
John Robinson, CPA
Doyle Hassell, CPA

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO
MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS
REQUIRED FOR A SINGLE AUDIT

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

We have audited the general purpose financial statements of the Village of Gilbert, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 25, 1996.

We have also audited the Village of Gilbert, Louisiana's, compliance with the requirements governing types of services allowed or unallowed; eligibility, matching level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the Village of Gilbert, Louisiana, is responsible for the Village of Gilbert, Louisiana's, compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain a reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Village of Gilbert, Louisiana's, compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instance of noncompliance with the requirements referred to above.

In our opinion, the Village of Gilbert, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility, matching level of effort, or earmarking; reporting; claims and advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

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

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
November 25, 1996

VILLAGE OF GILBERT, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1996

<u>GRANT</u>	<u>FINDING/NONCOMPLIANCE</u>	<u>QUESTIONED COST</u>
--------------	------------------------------	----------------------------

Of the items tested there were no findings or questioned costs.

VILLAGE OF GILBERT, LOUISIANA
SCHEDULE OF COMPENSATION PAID MAYOR AND COUNCIL MEMBERS
FOR THE YEAR ENDED JUNE 30, 1996

<u>NAME</u>	<u>AMOUNT</u>
Louis Ezell - Mayor	2,790
E.L. Tackel - Council Member	615
Don Englerth - Council Member	345
Nathan Roberts - Council Member	<u>330</u>
<u>TOTAL</u>	<u>4,080</u>

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2896
TELEPHONE 322-8106
MONROE, LOUISIANA 71207-2896

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

RECEIVED
DIRECTOR

NOV 23 11 0:43

Harvey Marcus, CPA
John Robinson, CPA
Doyle Hassell, CPA

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

In planning and performing our audit of the general purpose financial statements of the Village of Gilbert, Louisiana, for the year ended June 30, 1996, we considered its' internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to deficiencies in the design or operation of the internal control structure that, in our judgment could adversely affect the Village of Gilbert, Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

- 1) Cash deposits in excess of \$100,000 in any one financial institution should be collateralized. We found one instance of cash totaling \$26,660 that was not collateralized.
- 2) Sales tax is being paid on bills from La Gas Service Company. The Village is exempt from all sales taxes.

This report is intended solely for the information and use of the Village of Gilbert, Louisiana's management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Marcus, Robinson and Hassell
November 25, 1996

RECEIVED
LEGISLATIVE AUDITOR
JUN 13 11 04 43

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and **PLACE
BACK In FILE**)

VILLAGE OF GILBERT
GILBERT, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 1996

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 1996 7 2 11

VILLAGE OF GILBERT, LOUISIANA
TABLE OF CONTENTS
JUNE 30, 1996

	<u>PAGE</u>
Independent Auditor's Report	1
Combined Balance Sheet - All Fund Types and Account Groups	2-3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General, Special Revenue, Debt Service and Capital Project Funds	5-6
Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types	7
Statement of Cash Flows - All Proprietary Fund Types	8
Notes to Financial Statements	9-18
Report on Internal Control Structure	19-20
Report on Compliance with Laws and Regulations Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards	21
Report on Schedule of Federal Financial Assistance	22
Schedule of Federal Financial Assistance	23-24
Report on Internal Control Structure	25-27
Report on Compliance with General Requirements Applicable to Federal Financial Assistance Programs	28
Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs Required for a Single Audit	29-30
Schedule of Findings and Questioned Costs	31
Schedule of Compensation Paid Mayor and Council Members	32