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VILLAGE OF GILBERT
GILBERT, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 1999

ANY PROVISIONS OF STATE LAW
APPLY TO THIS REPORT. A
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STATE LAW WHICH APPLY TO
THIS REPORT IS AVAILABLE
FOR REVIEW AT THE OFFICE
OF THE LEGISLATIVE AUDITOR
IN MONROE, LOUISIANA.
1-13-0000

VILLAGE OF SILVERST, LOUISIANA
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MARCUS, ROBINSON and HASSLELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 487
782 IVADALE DRIVE
TELEPHONE (337) 455-7529
WARRIOR, LOUISIANA 71092

Harvey Marcus, CPA
John Robinson, CPA
Boyle Hassell, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF ILLINOIS
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, 1999, as listed in the table of contents. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These 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, 1999, 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 December 30, 1999, 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.

Our audit was performed 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 expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Also, 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. 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 stated in all material respects, in relation to the general-purpose financial statements taken as a whole.

The Village of Gilbert, Louisiana has not presented the disclosures required by Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, that the Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the Village of Gilbert, Louisiana is or will become year 2000 compliant, that the Village of Gilbert, Louisiana's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Village of Gilbert, Louisiana does business are or will become year 2000 compliant.

Marcus, Robinson and Howell

Marcus, Robinson and Howell

Winnifree, Louisiana

December 28, 1999

VILLAGE OF GILBERT, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999

	<u>Governmental Fund Types</u>		Capital Project Fund
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
ASSETS			
Cash	41,978	148,119	0
Receivables:			
Affiliated Entities	0	0	0
Other	4,894	0	0
Restricted Assets:			
Cash	0	0	0
Due from Other Funds	0	0	0
Fixed Assets	<u>0</u>	<u>0</u>	0
TOTAL ASSETS	<u>46,872</u>	<u>148,119</u>	0
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	1,880	0	0
Accrued Salaries and Other Expenses	1,818	0	0
Payable from Restricted Assets:			
Revenue Bonds - Current	0	0	0
Revenue Bonds - Long-Term	0	0	0
Customers' Deposits	0	0	0
Due to Other Funds	<u>12,958</u>	<u>0</u>	0
TOTAL LIABILITIES	<u>17,656</u>	0	0
FUND EQUITY			
Contributed Capital	0	0	0
Investment in General Fixed Assets	0	0	0
Retained Earnings:			
Reserved	0	0	0
Unreserved (deficit)	0	0	0
Fund Balances:			
Unreserved - Unassigned	<u>13,085</u>	<u>148,119</u>	0
TOTAL FUND EQUITY	<u>13,085</u>	<u>148,119</u>	0
TOTAL LIABILITIES AND FUND EQUITY	<u>30,741</u>	<u>148,119</u>	0

Proprietary Fund Type Subtype	Account Group General	Totals	
		(Millions of Dollars)	
		June 30, 1999	June 30, 1998
<u>Fund</u>	<u>Fund Assoc.</u>		
495	0	999,784	383,234
500	0	500	90
7,321	0	12,215	19,089
42,238	0	42,238	35,819
12,993	0	12,993	16,623
<u>1,812,885</u>	<u>1,282,365</u>	<u>2,315,159</u>	<u>1,951,663</u>
<u>1,829,687</u>	<u>1,282,365</u>	<u>2,327,852</u>	<u>2,029,218</u>
2,984	0	6,868	12,878
412	0	1,611	2,858
32,332	0	32,332	17,994
996,282	0	193,282	231,148
9,868	0	9,868	10,641
<u>0</u>	<u>0</u>	<u>32,818</u>	<u>16,682</u>
<u>346,778</u>	<u>0</u>	<u>298,629</u>	<u>290,849</u>
1,282,813	0	1,282,813	1,282,813
0	1,282,365	1,282,365	874,296
42,238	0	42,238	35,899
(449,214)	0	(449,214)	(438,182)
<u>0</u>	<u>0</u>	<u>382,124</u>	<u>181,284</u>
<u>635,617</u>	<u>1,282,365</u>	<u>2,329,226</u>	<u>1,951,663</u>
<u>1,829,687</u>	<u>1,282,365</u>	<u>2,327,852</u>	<u>2,029,218</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, 1999

	General Fund	Special Revenue Fund	Capital Project Fund	Totals	
				(Miscellaneous Only) June 30, 1999	June 30, 1998
REVENUES					
Local Sources:					
Taxes:					
Ad Valorem	5,540	0	0	5,540	5,587
Sales and Use	0	32,915	0	32,915	33,358
Other	28,936	0	0	28,936	26,877
Fees and Forfeitures	73,111	0	0	73,111	46,804
Use-of-Money & Property	3,884	2,907	0	3,891	3,688
Federal Sources:					
Intergovernmental Grants	16,500	0	160,238	176,738	79,832
Other Income	<u>29,885</u>	<u>0</u>	<u>0</u>	<u>29,885</u>	<u>39,784</u>
TOTAL REVENUES	164,276	35,822	160,238	360,336	187,879
EXPENDITURES					
General Government	66,200	315	0	66,515	59,173
Public Safety	48,445	0	0	48,445	43,280
Public Works	30,448	0	0	30,448	34,981
Culture and Recreation	628	0	0	628	688
Capital Outlay	<u>45,128</u>	<u>0</u>	<u>260,238</u>	<u>405,366</u>	<u>15,722</u>
TOTAL EXPENDITURES	191,441	315	260,238	452,034	214,844
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,165)	35,507	0	7,342	18,035
OTHER FINANCING SOURCES (USES)					
Operating Transfer In	0	0	0	0	3,948
Operating Transfer Out	<u>0</u>	<u>(6,388)</u>	<u>0</u>	<u>(6,388)</u>	<u>(75,185)</u>
TOTAL FINANCING SOURCES (USES)	0	(6,388)	0	(6,388)	(71,237)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(27,165)	29,119	0	848	(57,202)
FUND BALANCE BEGINNING	81,378	120,114	0	181,284	385,513
FUND BALANCE ENDING	54,213	149,233	0	183,154	328,284

See Accompanying Notes

VILLAGE OF GRAND LEBLANC, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL, SPECIAL REVENUE, DEBT SERVICE AND ACTUAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 1999

	<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>
REVENUES						
Local Sources						
Taxes						
Ad Valorem	6,080	5,548	(460)	0	0	0
Sales and Use	0	0	0	26,000	32,973	(3,867)
Other	28,880	28,854	26	0	0	0
Fees and Permits	58,080	73,111	23,111	0	0	0
Use of Money & Property	1,580	1,884	144	2,000	2,987	987
Federal Sources:						
Restricted Intergovernmental Grants	18,580	16,508	0	0	0	0
Other Income	38,080	39,885	9,885	0	0	0
TOTAL REVENUES	132,880	164,278	31,478	28,000	35,960	(2,668)
EXPENDITURES						
General Government	44,580	66,200	(21,708)	0	303	(303)
Public Safety	42,880	49,403	(6,548)	0	0	0
Public Works	28,480	30,448	(10,948)	0	0	0
Culture and Recreation	1,080	628	374	0	0	0
Capital Outlay	24,080	45,178	(21,738)	0	0	0
TOTAL EXPENDITURES	132,880	182,441	(29,641)	0	303	(303)
EXCESS (DEFICIENCY) OF						
REVENUES OVER EXPENDITURES	0	(28,163)	(28,163)	28,000	35,657	(2,463)
(OTHER FINANCING SOURCES/USES)						
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	(32,683)	(18,360)	21,323
TOTAL OTHER FINANCING	0	0	0	(32,683)	(18,360)	21,323
SOURCES/USES	0	0	0	(32,683)	(18,360)	21,323
EXCESS (DEFICIENCY) OF						
REVENUES OVER EXPENDITURES	0	(28,163)	(28,163)	5,918	29,000	23,687
FUND BALANCE BEGINNING		\$1,178			120,114	
FUND BALANCE ENDING		\$1,805			149,114	

See Accompanying Notes

Capital Project Fund			Totals		
Budget	Actual	Variance	Budget	Actual	Variance
0	0	0	6,808	5,348	(1,460)
0	0	0	36,808	31,813	(4,995)
0	0	0	28,808	28,856	48
0	0	0	80,808	73,111	(7,697)
0	0	0	3,808	3,891	83
180,238	368,238	0	376,338	376,338	0
0	0	0	80,808	80,808	0
180,238	368,238	0	531,818	560,354	28,536
0	0	0	48,380	66,153	17,773
0	0	0	42,980	49,440	6,460
0	0	0	28,480	28,480	0
0	0	0	1,080	626	(454)
180,238	368,238	0	284,238	405,688	121,450
380,238	768,238	0	823,058	933,058	110,000
0	0	0	18,080	7,340	(10,740)
0	0	0	0	0	0
0	0	0	(12,082)	(6,588)	(5,494)
0	0	0	(12,082)	(6,588)	(5,494)
0	0	0	5,918	888	(5,030)
0	0	0		181,284	
0	0	0		185,124	

See Accompanying Notes

VILLAGE OF GIBERT, LOUISIANA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN RETAINED EARNINGS,
ALL PROPRIETARY FUNDS TYPES
FOR THE YEAR ENDED JUNE 30, 1999

	<u>1999</u>	<u>1998</u>
OPERATING REVENUES		
Charges for Services	81,906	76,289
Other Income	<u>5,209</u>	<u>945</u>
TOTAL OPERATING REVENUES	<u>87,115</u>	<u>77,234</u>
OPERATING EXPENSES		
Personnel Services	23,809	29,442
Materials, Repairs and Supplies	3,848	5,071
Operational Expenses	22,589	28,761
Depreciation	<u>60,211</u>	<u>60,082</u>
TOTAL OPERATING EXPENSES	<u>108,457</u>	<u>118,356</u>
OPERATING LOSS	(21,342)	(41,122)
NONOPERATING REVENUES (EXPENSES)		
Tips, Fees and Late Charges	1,448	1,932
Interest Earned	751	862
Interest and Fiscal Charges	<u>(11,933)</u>	<u>(12,678)</u>
TOTAL NONOPERATING REVENUES AND (EXPENSES)	<u>(9,734)</u>	<u>(10,884)</u>
NET LOSS BEFORE OPERATING TRANSFERS	(31,076)	(52,006)
OTHER FINANCING SOURCES		
Operating Transfers In	<u>6,580</u>	<u>22,651</u>
NET LOSS	(24,496)	(29,355)
RETAINED EARNINGS - BEGINNING	(492,520)	(513,110)
RETAINED EARNINGS - ENDING	<u>(517,016)</u>	<u>(542,465)</u>

See Accompanying Notes

**VILLAGE OF GIBERT, LOUISIANA
STATEMENT OF CASH FLOWS
ALL PROGRAMS AND FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999**

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	(24,412)	(16,889)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	45,211	41,807
(Increase) Decrease in:		
Accounts Receivable	1,434	(489)
Due from Other Funds	3,725	180
(Increase) Increase in:		
Accounts Payable	330	217
Accrued Salaries and Payroll Taxes	51	29
Customers' Deposits	(1,243)	1,352
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	14,758	28,890
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment Purchases	(128)	0
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES	(128)	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Reduction of Long-Term Debt	(20,125)	(18,621)
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	(20,125)	(18,621)
NET INCREASE (DECREASE) IN CASH	1,499	9,177
CASH AT BEGINNING OF YEAR	28,444	19,167
CASH AT END OF YEAR	30,833	28,344
UNRESTRICTED PORTION OF CASH	699	1,183
RESTRICTED PORTION OF CASH	42,238	51,809
TOTAL	42,937	52,992

See Accompanying Notes

VILLAGE OF GILBERT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Gilbert, Louisiana, was incorporated under the provisions 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 GERMANTOWN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

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. Estimated 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	1,991,273
Estimated Historical Cost	228,592
TOTAL	2,219,865

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.

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

VILLAGE OF GILBERT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Fixed Assets and Long-Term Liabilities - Continued

Because of their spending measurement focus, expenditures 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 type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all depreciable 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 measurement results, 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 billed 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.

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. Unified Water Works and Sewer System Fund utility service receivables are recorded at year end.

VILLAGE OF GIBBERT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

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 in 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 1998-1999.

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 Capital Fund consist of gasoline and office supplies held for consumption. Inventory acquisitions in the General Fund are recorded in expense accounts initially and 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.

VILLAGE OF OLBERT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 December 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

Employees with over 3 years of service with the Village receive a total of 13 days vacation and 13 days sick leave per year. Employees with one year to five years of service receive 3 days vacation and 6 days sick leave per year. Employees with less than a year of service receive no paid days off. Employees are not paid for the accumulated leave time 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.

Deficit Fund Balance - Retained Earnings

The Enterprise Fund - Water and Sewer at June 30, 1999 continued to have a deficit amount in its retained earnings account. For the year ended June 30, 1999, the current operating deficits were 24,432. The major and alternative are currently considering alternatives to curing the deficit. The deficit balance in the retained earnings account at June 30, 1999 was 426,276.

VILLAGE OF OLBERT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Comparative Data

Comparative data for the prior year has 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 operations, 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 as 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 proceeds 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.

The carrying amount of the Village's deposits with the financial institutions was 242,254 and the book balance was 238,602. The carrying amount is categorized as follows:

	Category		
	1	2	3
Cash	180,808	142,254	0

VILLAGE OF GILBERT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

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 April 30, 1999, taxes of 6.81 mills were levied on property with assessed valuations totaling 907,806 were dedicated as follows:

General Fund 6.81 Mills

Totals taxes levied in 1999 were 5,622.

NOTE 4 - RECEIVABLES - OTHER

A summary of other receivables as of June 30, 1999, follows:

General Fund	
Fines	4,854
Enterprise Fund Water/Sewerage	
Trade Accounts	1,766
Allowance for Doubtful Accounts	(185)
Total Enterprise Fund Water/Sewerage	1,581
TOTAL ALL FUNDS	6,435

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, 1999.

NOTE 6 - FIXED ASSETS

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

	Balance		Transfers/ Encumbrances	Balance
	<u>21,098</u>	Additions		<u>608,098</u>
Land	14,190	0	0	14,190
Buildings	22,751	0	0	22,751
Capital Improvements	892,488	368,238	0	1,260,726
Furniture & Equipment	21,979	2,128	0	24,107
Police Equipment	21,274	23,884	0	45,158
Fire Equipment	190,289	1,173	0	191,462
Street Equipment	3,700	19,248	0	22,948
Community Center Equipment	4,645	0	0	4,645
TOTAL	1,260,726	381,563	0	1,642,289

VILLAGE OF GILBERT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
(JUNE 30, 1999)

NOTE 6 - FIXED ASSETS - CONTINUED

A summary of Proprietary Fund type property, plant, and equipment at June 30, 1999:

Plant and Equipment	999,164
Water and Sewer Systems	316,594
Sewer Collection Systems	<u>426,200</u>
	1,741,958
Less: Accumulated Depreciation	<u>(318,071)</u>
Net Property, Plant and Equipment	<u>1,423,887</u>

Depreciation for the year totaled 48,211.

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, 1999:

	Payable	Retirements	Excesses	Balance
Enterprise Fund Debt:	\$4,713,958			600,000
Revenue Bonds	248,615	0	202,325	228,114
TOTAL	248,615	0	202,325	228,114

Revenue Bonds payable at June 30, 1999 are comprised of the following individual issues:

Revenue Bond -	
750,000 Series Water and Sewer System Revenue Bonds due in monthly installments of 2,425 through September, 2009; interest rate at 5%.	228,114
Revenue Bonds Payable at June 30, 1999	<u>228,114</u>

The annual requirements to amortize all debt outstanding as of June 30, 1999 including interest payments of 74,068 are as follows:

Annual Requirements to Amortize Long-Term Debt
June 30, 1999

Year Ending	Amount
June 30,	
2000	29,816
2001	29,816
2002	29,816
2003	29,816
2004	29,816
Thereafter	202,182
TOTAL	202,182

Interest expense for the year was 11,879.

VILLAGE OF GILBERT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 7 - CHANGES IN LONG-TERM DEBT - CONTINUED

The resolutions 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.

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, 1999 arising from these transactions are follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	0	12,958
Enterprise Fund	12,958	0

NOTE 10 - CONTRIBUTED CAPITAL

During the year, contributed capital had no change.

NOTE 11 - LITIGATION AND CONTINGENCIES

There was no pending litigation at June 30, 1999.

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, 1999.

NOTE 14 - ACCOUNTS RECEIVABLE-MISCELLANEOUS

These accounts receivable represent the contribution voted on by the Board of Aldermen to settle delinquent payments of water bills by Village employees.

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 487
783 ENCADALE DRIVE
TELEPHONE (514) 633-7819
WVINGDORF, LOUISIANA 71292

Harvey Mason, CPA,
John Robinson, CPA,
Doyle Hassell, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
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, 1999, and have issued our report thereon dated December 20, 1999. 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.

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 instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as item 98-1.

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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. A reportable condition involves matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting 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 stated objectives of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 98-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

This report is intended for the information of management, the Village of Gilbert, and the Legislative Auditor of Louisiana and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Marcus Robinson & David

Marcus, Robinson and Maxwell

December 20, 1999

MARCUS, ROBINSON and BASSILL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 447
702 DONALD DRIVE
TELEPHONE (504) 431-1119
WIBOWOOLA, LOUISIANA 71291

Harvey Marcus, CPA
John Robinson, CPA
Doyle Bassill, CPA

OFFICIAL
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
INSTITUTE OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the Village of Gilbert, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget OMB Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. The Village of Gilbert, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Village of Gilbert, Louisiana's management. Our responsibility is to express an opinion on the Village of Gilbert, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Gilbert, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village of Gilbert, Louisiana's compliance with those requirements.

In our opinion, the Village of Gilbert, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of the Village of Gilbert, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Village of Gilbert, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Aldermen, the Legislative Auditor of Louisiana and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Marcus Robinson + Howell

Marcus Robinson and Howell
December 20, 1999

VILLAGE OF GILBERT, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 1999

Pass Through Grant Program Title	CFDA Number	Award Period	Expenditures
MAJOR PROGRAMS			
Community Development Block Grant	14.218	7/1/98- 6/30/99	368,218 <u>368,218</u>

See Notes to Financial Statements

VILLAGE OF GILBERT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 1992

NOTE 1 - GENERAL

The accompanying Schedule of Federal Awards presents the activity of all federal award programs of the Village of Gilbert, Louisiana. The Village of Gilbert, Louisiana's reporting entity is defined in Note 1 of the Notes to General-Purpose Financial Statements of the Village of Gilbert, Louisiana's general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting which is described in Note 1 of the Notes to the General - Purpose Financial Statements of the Village of Gilbert, Louisiana's general - purpose financial statements.

NOTE 3 - RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Federal awards revenues are reported in the School Board's general-purpose financial statements as follows:

Capital Project Fund	<u>Federal Sources</u> <u>186,718</u>
----------------------	--

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes, if any, made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 - MAJOR FEDERAL AWARDS

The dollar threshold of \$100,000 was used to distinguish between Type A and Type D federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

VILLAGE OF GILBERT
GILBERT, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1999

PART I - SUMMARY OF THE AUDITOR'S RESULTS

- i. The type of audit report issued was unqualified.
- ii. There is a reportable condition required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- The reportable condition disclosed is not considered a material weakness as defined by the Government Auditing Standards.
- iii. There was an instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Quality of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .519(a).
- vii. The major federal programs are:
- CFDA #14.228 Community Development Block Grant
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .320 (b) was \$100,000.
- ix. The auditor does qualify as a low risk auditor under OMB Circular No. A-133, Section .520.

PART II - Finding related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Finding Reference and Title:

25-1

Employees Not Paying Water Bills

Condition: The Village of Gilbert, Louisiana, discovered that their employees were receiving the water free of charge. According to the employees with the longest time of service, a prior mayor had given them permission to do this in place of a raise. This former mayor has since passed away.

Recommendation: The Village of Gilbert, Louisiana should contact the District Attorney's office for help with how to handle this finding.

VILLAGE OF GILBERT
GILBERT, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1998

Management's Corrective Action Plan

Corrective Action Planned: Management will contact the District Attorney's office for help with how to handle this finding. Management does not expect a recurrence of this finding.

Person responsible for corrective action plan

Meyer Lewis Ford
Village of Gilbert, Louisiana
P.O. Box 680
Gilbert, La 71738
Telephone: (514) 435-6186

Anticipated Completion Date: This matter has been resolved as of the date of this audit.

VILLAGE OF GERMER, LOUISIANA
SCHEDULE OF COMPENSATION PAID MAYOR AND BOARD OF ALDERMEN
FOR THE YEAR ENDED JUNE 30, 1989

<u>NAME</u>	<u>AMOUNT</u>
Louis Erff - Mayor	1,804
Stacy Calhoun - Alderman	305
Nelda Griffin - Alderman	215
E.L. Tucker - Alderman	80
Don English - Alderman	240
Nathan Roberts - Alderman	215
<u>TOTAL</u>	<u>4,859</u>