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**TOWN OF GIBSLAND, LOUISIANA**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Auditor, 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.

**APR 0 1 1998**

Release Date

TOWN OF GIBSLAND, LOUISIANA  
GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1997

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## **WILLIAM D. EDWARDS**

Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA / Society of CPAs

Mayor and Board of Aldermen  
Town of Gibsland  
Gibsland, Louisiana

I have compiled the accompanying general purpose financial statements of the Town of Gibsland, Louisiana for the year ended June 30, 1997, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

William D. Edwards, CPA

**TOWN OF GISLAND**  
**COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 1997**

	<b>Governmental Fund Types</b>	
	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>ASSETS:</b>		
<b>Unrestricted Assets</b>		
Cash and Cash Equivalents	7,764	
Accounts Receivable		
Due from Other Funds	16,009	
Plant, Property, and Equipment		
Accumulated Depreciation		
Total Unrestricted Assets	23,773	-----
<b>Restricted Assets</b>		
Cash in Bank - Customer Deposits		
Cash in Bank - PrePA Requirements		
Total Restricted Assets	-----	-----
<b>TOTAL ASSETS</b>	23,773	-----
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Liabilities</b>		
Accounts Payable and Taxes Payable	5,644	
Due to Other Funds	42,363	
Notes Payable - Current		
Notes Payable - Long Term		
Account Interest		
Customer Deposits		
Total Liabilities	48,007	-----
<b>Fund Equity</b>		
Contributed Capital - Grants		
Investments in General Fund Assets		
Retained Earnings Reserved for Debt Retirements		
Retained Earnings Unreserved		
Fund Balance Unreserved - Undesignated	(24,234)	
Fund Balance Reserved		
Total Fund Equity	(24,234)	-----
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	23,773	-----

Proprietary Funds		(Memorandum Only)	
Water Fund	Sewer Fund	Flood Assets Group	Total All Fund
14,434	28,528		78,714
14,696	13,140		37,879
64,481	34,289		114,619
1,118,881	1,616,368	228,668	2,963,909
(781,400)	(512,882)		(734,312)
<u>648,892</u>	<u>758,776</u>	<u>228,668</u>	<u>1,831,509</u>
3,462			3,462
75,067	30,000		105,067
<u>78,529</u>	<u>30,000</u>		<u>108,569</u>
<u>918,421</u>	<u>788,776</u>	<u>228,668</u>	<u>1,960,058</u>
3,145			3,145
43,123	23,131		114,619
10,000	7,000		17,000
368,800	429,865		788,665
11,628	18,308		23,934
3,462			3,462
<u>430,360</u>	<u>483,502</u>		<u>981,869</u>
596,765	295,770		816,525
78,002		228,668	228,668
(184,307)	9,504		(22,170)
			(34,214)
<u>-68,661</u>	<u>305,264</u>	<u>228,668</u>	<u>998,189</u>
<u>918,421</u>	<u>788,776</u>	<u>228,668</u>	<u>1,960,058</u>

TOWN OF GIBBSLAND  
 STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 1997

	General	Special Revenue	Total
<b>Revenues</b>			
Occupational License	18,337		18,337
Sales Tax	48,000		48,000
Franchise Fees	19,445		19,445
Property Taxes		31,007	31,007
Tobacco Tax and Beer Tax	5,087		5,087
Other Revenue	22,739		22,739
Fines and Penalties	10,077		10,077
Interest	511		511
<b>Total Revenue</b>	140,982	31,007	171,989
<b>Expenditures</b>			
General Government	76,815		76,815
Public Safety - Police	42,402		42,402
Operations and maintenance - Street	18,796		18,796
<b>Total Expenditures</b>	138,013	-0-	138,013
<b>Other Financing Services (Uses)</b>			
Operating Transfer In	16,705		16,705
Operating Transfer Out		(31,007)	(31,007)
<b>Total Other Financing</b>	16,705	(31,007)	(14,302)
<b>Excess of Expenditures Over Revenues</b>	2,889		2,889
<b>Fund Balance at Beginning of Year</b>	(27,124)		(27,124)
<b>FUND BALANCE AT END OF YEAR</b>	(24,235)	-0-	(24,235)

**TOWN OF GIBSLAND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN ACCUMULATED DEFICIT  
PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1997**

	Water	Sewer	Total
<b>Operating Revenues:</b>			
Fees	113,786	80,777	194,563
Other Income	33	6,369	6,402
	-----	-----	-----
<b>Total Operating Revenues</b>	<b>113,799</b>	<b>87,146</b>	<b>200,975</b>
<b>Operating Expenses:</b>			
Salaries and Related Benefits	22,598	23,819	46,417
Office Expenses	1,885		1,885
Maintenance and Repairs-Plant	909	396	1,305
Insurance	989	3,355	4,344
Chemicals		2,348	2,348
Contract Labor		699	699
Depreciation	30,369	23,489	53,858
Utilities	15,818	4,222	19,838
Telephone	804	434	1,238
Vehicle Expense	4046	1,972	6,018
Miscellaneous	11,178	6,044	17,220
Supplies	3,663	8,995	12,658
Equipment	2,800	20,718	22,718
NSF Checks and Bank Charges	354	24	378
Payroll Tax Expense	3,822	2,638	6,460
	-----	-----	-----
<b>Total Operating Expenses</b>	<b>95,471</b>	<b>102,131</b>	<b>197,602</b>
<b>Operating Income</b>	<b>18,328</b>	<b>(14,985)</b>	<b>3,373</b>
<b>Nonoperating Revenue (Expenses)</b>			
Interest Expense	(18,191)	(19,268)	(37,457)
Interest Income	3,678	487	4,165
Special Revenue		14,302	14,302
	-----	-----	-----
<b>Total</b>	<b>(15,513)</b>	<b>(4,477)</b>	<b>(19,990)</b>
<b>Net Income</b>	<b>2,815</b>	<b>(19,432)</b>	<b>(16,617)</b>
Beginning Fund Balance	488,346	324,736	813,072
Ending Fund Balance	485,561	305,294	790,355
	-----	-----	-----

TOWN OF GISLAND  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1997

**Cash Flows From Operating Activities:**

Operating Income		\$ 1,373
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	53,773	
Increase in Accounts Receivable	287	
Decrease in Accrued Interest	(900)	
Decrease in Accounts Payable	213	
Decrease in Customer Deposits	1	
Increase in Interfund Payables	14,089	
Increase in Interfund Receivables	(22,039)	
		67,684
<b>Net Cash Provided by Operations</b>		<b>73,667</b>

**Cash Flows From Capital and Related Financing Activities:**

Increase in Fixed Assets

-----  
Net Cash Used By Capital and Related Financing Activities

**Cash Flows From Investing Activities:**

Operating Transfer	14,302	
Principal Reductions	(18,690)	
Interest Payments	(37,457)	
Interest Income	3,163	
		(37,990)
<b>Net Cash Used By Investing Activities</b>		<b>(37,990)</b>

Net Increase in Cash		35,677
Cash At Beginning Of Year		136,422
Cash At End Of Year		<b>171,489</b>

**CASH SHOWN ON BALANCE SHEET**

**Current Assets**

Cash - Unrestricted	62,930	
Cash - Restricted	108,549	
		171,489

Interest - Cash Basis

Taxes - Cash Basis



TOWN OF GIBSLAND, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1997

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -

The accounting and reporting policies of the Town of Gibsland, Louisiana, conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

**FINANCIAL REPORTING ENTITY**

This report includes all funds and account groups which are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen), except for the Gibsland Housing Authority. Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

**A. Fund Accounting**

The accounts of the Town of Gibsland 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 one generic fund type and one broad fund category as follows:

**GOVERNMENTAL FUNDS**

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

**Special Revenue Fund** - The Special Revenue Fund is the operating fund for specific monies received for specific purposes. The fund consists entirely of receipts for the Gibsland Summer Food Program.

**PROPRIETARY FUND**

**Enterprise Fund** - Enterprise funds are used to account for operations (a) that 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 purpose.

TOWN OF GIBSLAND, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 1997

**Fixed Assets Account Group** - The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and 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 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") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements, are not capitalized. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

**General Long-Term Debt** - 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. Long-term liabilities expected to be financed from Enterprise Funds. At June 30, 1997, the Town had no General Long-Term Debt.

#### **B. 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. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

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

#### **C. Budgets and Budgetary Accounting**

The Town did adopt a budget for the fiscal year ended June 30, 1997, however, since the financial statements were prepared using a different method, a budget to actual has not been prepared, except for the Summer Food Program.

TOWN OF GIBSLAND, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 1997

**D. Advances to Other Funds**

Amounts shown as "advances" to other funds are not expected to be available or spendable during the next accounting cycle. However, amounts designated as "due from other funds" are considered "available spendable resources."

**E. Fixed Assets-Proprietary Fund**

Depreciation of all exhaustible fixed assets used by the proprietary funds are charged as an expense against operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful life using the straight-line method over the estimated useful lives of 3-40 years.

**G. Accumulated Unpaid Vacation, Sick Pay and Other Employer Benefits and Pensions Accounts**

Accumulated vacation, sick pay and other employer benefits and pensions are not material and are therefore not accrued.

**H. Total Columns on Combined Statements**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analyses. Data in these columns do not present financial position, results of operations, or cash flows 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.

**(2) - Cash and Cash Equivalents**

The Town's cash at June 30, 1997, are categorized below to give an indication of the level of risk assumed by the Town at year end. Category 1 includes cash that is insured or registered, or securities held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered cash and investments, with securities held by the counter party or by its trust department or agent, but in the Town's name. Category 3 includes uninsured and unregistered cash and investments, with securities held by the counter party or by its trust department or agent but not in the Town's name. In accordance with GAAP 3, this category includes certificates of deposit or money market accounts that are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Town's name, although balances so collateralized meet the requirements of state law.

	-----Category-----			Bank Balances
	1	2	3	
Cash in Bank	160,000	79,283		239,283

**(3) - Ad Valorem Taxes**

The Town considers ad valorem taxes receivable at December 31 and recognized income in the year of assessment.

**TOWN OF GIBSLAND, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 1997**

For the year ended June 30, 1997, taxes of \$13,453 were levied on property with assessed valuations totaling \$1,618,870 and were dedicated entirely for general purposes.

In addition, taxes of \$1,618,870 were levied on property with assessed valuations totaling \$14,473 and were dedicated entirely to the Proprietary Fund to pay off debt.

Total taxes originally levied were \$13,453, of which approximately \$5,791 was assessed on residential property and \$7,662 was assessed on commercial property for general purposes. Total taxes of \$14,473 were assessed for the Proprietary Fund.

Property Tax Calendar:

Assessment Date	June 18, 1996
Levy Date	October 31, 1996
Tax Bills Mailed	October 15, 1996
Due Taxes Are Due	December 31, 1996
Penalties and Interest Are Added	December 31, 1996
Lien Date	January 15, 1997
Anticipated Tax Sale	February 25, 1997

Assessed values are established by the Lincoln Parish Tax Assessor each year.

**(4) - Fixed Assets**

A summary of the changes in fixed assets for the year ended June 30, 1997, is shown below:

	<u>General Fixed Asset Account Group</u>			
	<u>Balance</u>			<u>Balance</u>
	6/30/96:	Additions	Deletions	6/30/97
Land	23,463	\$ -	-	23,463
Building & Improvements	43,515			43,515
Vehicles	28,900			28,900
Furniture & Equipment	138,810			138,810
<b>Total</b>	<u>238,688</u>	<u>\$ -</u>	<u>-</u>	<u>238,688</u>

**TOWN OF GIBSLAND, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 1997**

**Proprietary Fund**

	6/30/96	Additions	Deletions	6/30/97
Land	48,175			48,175
Buildings	7,935			7,935
Sewer System	1,016,360			1,016,360
Water System	911,811			911,811
Equipment	7,500			7,500
Improvements	142,460			142,460
	<u>2,135,241</u>			<u>2,135,241</u>
Accumulated Depreciation	(688,518)	(93,774)		(782,292)
Net Fixed Assets	<u>1,446,723</u>	<u>(93,774)</u>		<u>1,410,939</u>

	Water Fund	Sewer Fund
Summary		
Land	48,175	
Buildings	7,935	
Sewer System		1,016,360
Water System	911,811	
Equipment	7,500	
Water Improvements	142,460	
	<u>1,118,881</u>	<u>1,016,360</u>
Accumulated Depreciation	(391,410)	(332,882)
Net	<u>727,471</u>	<u>683,478</u>

**(3) - Long-Term Debt - Proprietary Fund**

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

	Total	Water	Sewer
Note Payable, July 1, 1996	824,065	380,800	444,065
Principal Payments	(18,000)	(18,000)	(8,000)
Note Payable, June 30, 1997	<u>806,065</u>	<u>370,800</u>	<u>435,065</u>

**TOWN OF GIBBLAND, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 1997**

Notes payable at June 30, 1997, consists of one note payable to the U.S. Department of Agriculture - Farmers Home Administration. The basic data on the notes is summarized below:

			Total	Water	Sewer
Loan 91 01	11/20/90	5.00%	324,000	324,000	
Loan 92 01	03/15/93	5.00%	87,990		87,990
Loan 92 02	03/15/93	5.00%	172,000		172,000
Loan 92 03	03/15/93	5.00%	88,550		88,550
Loan 91 05	11/20/90	5.00%	46,000	46,000	
Loan 92 05	08/08/95	6.75%	89,165		89,165
			Total	370,000	434,665

**(6) - Interfund Receivables and Payables**

At June 30, 1997, interfund receivables and payables were as follows:

	Interfund Receivables	Interfund Payables
General Fund	18,089	42,363
Water Fund	64,481	42,125
Sewer Fund	34,289	28,131
	Total	114,679

**(7) - Pension and Retirement Plan**

The Town does not provide pension or retirement plan benefits to any employees.

**(8) - Depreciation Funds Deficit**

The deficit in the Proprietary Fund retained earnings - unreserved is created mainly by depreciation. The deficits are expected to be removed in the subsequent years revenues.

**(9) - Per Diem Payments to Mayor and Aldermen**

Odell Key	Mayor	481
Joe R. Youngblood, Jr	Alderman	703
Dawson Arclin	Alderman	313
Judy Shaffer	Alderswoman	313
Mary Rachelle	Alderswoman	325
Karl Portocost	Alderman	50
Asahela Milligan	Alderman	213
Arthur O'Neal	Mayor-designed	206
Howard Parrall	Alderman	81

TOWN OF GIBSLAND, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 1997

(14) - Related Organizations

The Town has set up the Gibsland Housing Authority. That entity is a legally separate entity from the Town of Gibsland, which is not financially responsible for the Gibsland Housing Authority.

For the year ended June 30, 1997, there were no related party transactions.

# WILLIAM D. EDWARDS

Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA / Society of CPAs

## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Management of Town of Gibsland, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Town of Gibsland, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Town of Gibsland's compliance with certain laws and regulations during the year ended June 30, 1997 included in the accompanying Louisiana Affidavit Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified user of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### *Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$20,000, and determine whether such purchases were made in accordance with LSA-RS 38:211-2251 (the public bid law).

I examined cash disbursement records which indicated no purchases which would require the public bidding requirements. However, the minutes dated August 5, 1996 stated "In the Water Dept. Mr. O'Neal stated that the Sewer Clean out Machine discussed in a previous meeting had been purchased. The prior amount for the machine was \$18,900. Another machine was purchased for \$9,800 as of 8-5-96. This machine will be used to Clean out man holes for the Town."

### *Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1191-1124 (the code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families.

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

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

Management provided me the required list.



4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (1) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (1) appeared on the list provided by management in agreed-upon procedure (2).

*Budgeting*

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

Management provided me with a copy of the original budget.

6. Trace the budget adoption and amendments to the minute book.

I traced the budget approval to the minute book dated September 23, 1996.

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

The General Fund actual revenues and actual expenses exceeded over 5%, but the Net Income was within the 5% budget. The Water Fund did not exceed the budget by more than 5%. The Sewer Fund Revenue and Expenses exceeded over 5% - the Revenue was over the expenses resulting in a Net Income.

*Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination and:  
a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that all six checks were for proper amount and payee.

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

All six checks were coded to the correct fund and general ledger account.

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

Inspection of all six checks showed two signatures on each check indicating approval from the Town Clerk and the Mayor.

*Meetings*

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

Town of Gibland, Louisiana is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Management has asserted that such documents were properly posted.

*Debt*

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

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

*Advances and Bonuses*

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

A reading of the minutes of the district for the year indicated no approval for the payments noted.

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

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

William D. Edwards, CPA  
November 13, 1997