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VILLAGE OF GILBERT  
GILBERT, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED JUNE 30, 1998

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 NOV 04 1998

VILLAGE OF GILBERT, LOUISIANA  
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INDEPENDENT AUDITOR'S REPORT

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


We have audited the accompanying general-purpose financial statements of the Village of Gilbert, Louisiana, as of and for the year ended June 30, 1998. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Gilbert, Louisiana, as of June 30, 1998, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 1998, 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, Audits of States, Local Governments, and Non-Profit Organizations, and is 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.

  
Marcus, Robinson and Hassell  
Winnsboro, Louisiana  
October 7, 1998

VILLAGE OF GILBERT, LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 1998

	<u>Governmental Fund Types</u>			
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>
<b>ASSETS</b>				
Cash	79,537	120,114	0	0
Receivables:				
Ad-Valorem Taxes	93	0	0	0
Other	3,180	0	0	6,740
Restricted Assets:				
Cash	0	0	0	0
Due from Other Funds	0	0	0	0
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>82,810</u></b>	<b><u>120,114</u></b>	<b><u>0</u></b>	<b><u>6,740</u></b>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts Payable	3,484	0	0	6,740
Accrued Salaries and Other Expenses	1,473	0	0	0
Payable from Restricted Assets:				
Revenue Bonds - Current	0	0	0	0
Revenue Bonds - Long-Term	0	0	0	0
Customers' Deposits	0	0	0	0
Due to Other Funds	<u>16,683</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>TOTAL LIABILITIES</u></b>	<b>21,640</b>	<b>0</b>	<b>0</b>	<b>6,740</b>
<b>FUND EQUITY</b>				
Contributed Capital	0	0	0	0
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Reserved	0	0	0	0
Unreserved (deficit)	0	0	0	0
Fund Balances:				
Unreserved - Undesignated	<u>61,170</u>	<u>120,114</u>	<u>0</u>	<u>0</u>
<b><u>TOTAL FUND EQUITY</u></b>	<b><u>61,170</u></b>	<b><u>120,114</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b><u>TOTAL LIABILITIES AND FUND EQUITY</u></b>	<b><u>82,810</u></b>	<b><u>120,114</u></b>	<b><u>0</u></b>	<b><u>6,740</u></b>

Proprietary Fund Type Enterprise Fund	Account Group General Fixed Assets	Totals (Memorandum Only)	
		June 30, 1998	June 30, 1997
3,585	0	203,236	197,460
0	0	93	161
9,265	0	19,185	20,306
35,859	0	35,859	29,078
16,683	0	16,683	19,811
<u>1,077,366</u>	<u>876,296</u>	<u>1,953,662</u>	<u>1,978,087</u>
<u>1,142,758</u>	<u>876,296</u>	<u>2,228,718</u>	<u>2,244,903</u>
2,654	0	12,878	7,180
557	0	2,030	1,791
17,504	0	17,504	16,652
231,149	0	231,149	251,654
10,605	0	10,605	9,410
<u>0</u>	<u>0</u>	<u>16,683</u>	<u>19,811</u>
262,469	0	290,849	306,498
1,282,813	0	1,282,813	1,282,813
0	876,296	876,296	855,714
35,859	0	35,859	29,078
(438,383)	0	(438,383)	(414,713)
<u>0</u>	<u>0</u>	<u>181,284</u>	<u>185,513</u>
<u>880,289</u>	<u>876,296</u>	<u>1,937,869</u>	<u>1,938,405</u>
<u>1,142,758</u>	<u>876,286</u>	<u>2,228,718</u>	<u>2,244,903</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, 1998**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Fund	Totals (Memorandum Only)	
					June 30, 1998	June 30, 1997
<b>REVENUES</b>						
Local Sources:						
Taxes:						
Ad Valorem	5,586	0	1	0	5,587	13,945
Sales and Use	0	33,558	0	0	33,558	34,856
Other	26,671	0	0	0	26,671	27,528
Fines and Forfeitures	46,864	0	0	0	46,864	43,210
Use of Money & Property	1,665	2,015	0	0	3,680	4,192
Federal Sources:						
Intergovernmental Grants	0	0	0	19,932	19,932	0
Other Income	30,784	0	0	0	30,784	27,935
<b>TOTAL REVENUES</b>	<b>111,570</b>	<b>35,573</b>	<b>1</b>	<b>19,932</b>	<b>167,076</b>	<b>151,666</b>
<b>EXPENDITURES</b>						
General Government	59,569	204	0	0	59,773	46,950
Public Safety	43,380	0	0	0	43,380	32,263
Public Works	24,901	0	0	0	24,901	22,856
Culture and Recreation	668	0	0	0	668	524
Capital Outlay	0	0	0	19,932	19,932	0
Debt Service:						
Principal Retirement	0	0	0	0	0	36,000
Interest and Fiscal Charges	0	0	0	0	0	1,935
<b>TOTAL EXPENDITURES</b>	<b>128,518</b>	<b>204</b>	<b>0</b>	<b>19,932</b>	<b>148,654</b>	<b>140,528</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>						
	(16,948)	35,369	1	0	18,422	11,138
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating Transfers In	2,948	0	0	0	2,948	0
Operating Transfers Out	0	(3,500)	(22,099)	0	(25,599)	(25,000)
<b>TOTAL FINANCING SOURCES (USES)</b>	<b>2,948</b>	<b>(3,500)</b>	<b>(22,099)</b>	<b>0</b>	<b>(22,651)</b>	<b>(25,000)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>						
	(14,000)	31,869	(22,098)	0	(4,229)	(13,862)
<b>FUND BALANCE BEGINNING</b>	<b>75,170</b>	<b>88,245</b>	<b>22,098</b>	<b>0</b>	<b>185,513</b>	<b>199,375</b>
<b>FUND BALANCE ENDING</b>	<b>61,170</b>	<b>120,114</b>	<b>0</b>	<b>0</b>	<b>181,284</b>	<b>185,513</b>

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, 1998**

	<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>
<b>REVENUES</b>						
Local Sources:						
Taxes:						
Ad Valorem	6,000	5,586	(414)	0	0	0
Sales and Use	0	0	0	36,000	33,558	(2,442)
Other	29,800	26,671	(3,129)	0	0	0
Fines and Forfeitures	34,000	46,864	12,864	0	0	0
Use of Money & Property	1,500	1,665	165	1,700	2,015	315
Federal Sources:						
Restricted Intergovernmental Grants	0	0	0	0	0	0
Other Income	<u>27,900</u>	<u>30,784</u>	<u>2,884</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL REVENUES</b>	<b>99,200</b>	<b>111,570</b>	<b>12,370</b>	<b>37,700</b>	<b>35,573</b>	<b>(2,127)</b>
<b>EXPENDITURES</b>						
General Government	45,500	59,569	(14,069)	0	204	(204)
Public Safety	34,100	43,380	(9,280)	0	0	0
Public Works	19,000	24,901	(5,901)	0	0	0
Culture and Recreation	600	668	(68)	0	0	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL EXPENDITURES</b>	<b>99,200</b>	<b>128,518</b>	<b>(29,318)</b>	<b>0</b>	<b>204</b>	<b>(204)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>						
	0	(16,948)	(16,948)	37,700	35,369	(2,331)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	0	2,948	2,948	0	0	0
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>(32,632)</u>	<u>(3,500)</u>	<u>29,132</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>2,948</b>	<b>2,948</b>	<b>(32,632)</b>	<b>(3,500)</b>	<b>29,132</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES</b>						
	0	(14,000)	(14,000)	5,068	31,869	26,801
<b>FUND BALANCE BEGINNING</b>		<u>75,170</u>			<u>88,245</u>	
<b>FUND BALANCE ENDING</b>		<u>61,170</u>			<u>120,114</u>	

See Accompanying Notes

<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>
0	1	1	0	0	0	6,000	5,587	(413)
0	0	0	0	0	0	36,000	33,558	(2,442)
0	0	0	0	0	0	29,800	26,671	(3,129)
0	0	0	0	0	0	34,000	46,864	12,864
0	0	0	0	0	0	3,200	3,680	480
0	0	0	19,932	19,932	0	19,932	19,932	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,900</u>	<u>30,784</u>	<u>2,884</u>
0	1	1	19,932	19,932	0	156,832	167,076	10,244
0	0	0	0	0	0	45,500	59,773	(14,273)
0	0	0	0	0	0	34,100	43,380	(9,280)
0	0	0	0	0	0	19,000	24,901	(5,901)
0	0	0	0	0	0	600	668	(68)
0	0	0	19,932	19,932	0	19,932	19,932	0
0	0	0	0	0	0	0	0	0
<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>0</u>	<u>0</u>	<u>0</u>	<u>19,932</u>	<u>19,932</u>	<u>0</u>	<u>119,132</u>	<u>148,654</u>	<u>(29,522)</u>
0	1	1	0	0	0	37,700	18,422	(19,278)
0	0	0	0	0	0	0	2,948	2,948
<u>0</u>	<u>(22,099)</u>	<u>(22,099)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(32,632)</u>	<u>(25,599)</u>	<u>7,033</u>
<u>0</u>	<u>(22,099)</u>	<u>(22,099)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(32,632)</u>	<u>(22,651)</u>	<u>9,981</u>
0	(22,099)	(22,098)	0	0	0	5,068	(4,229)	(9,297)
	<u>22,098</u>			<u>0</u>			<u>185,513</u>	
	<u>0</u>			<u>0</u>			<u>181,284</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, 1998

	<u>1998</u>	<u>1997</u>
<u>OPERATING REVENUES</u>		
Charges for Services	76,285	75,837
Other Income	<u>945</u>	<u>17,824</u>
<u>TOTAL OPERATING REVENUES</u>	<u>77,230</u>	<u>93,661</u>
<u>OPERATING EXPENSES</u>		
Personal Services	25,442	24,823
Materials, Repairs and Supplies	5,471	9,581
Operational Expenses	30,761	30,098
Depreciation	<u>45,007</u>	<u>44,550</u>
<u>TOTAL OPERATING EXPENSES</u>	<u>106,681</u>	<u>109,052</u>
<u>OPERATING LOSS</u>	(29,451)	(15,391)
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Tape Fees and Late Charges	1,927	1,859
Interest Earned	862	582
Interest and Fiscal Charges	<u>(12,878)</u>	<u>(13,984)</u>
<u>TOTAL NONOPERATING REVENUES AND (EXPENSES)</u>	<u>(10,089)</u>	<u>(11,543)</u>
<u>NET LOSS BEFORE OPERATING TRANSFERS</u>	(39,540)	(26,934)
<u>OTHER FINANCING SOURCES</u>		
Operating Transfers In	<u>22,651</u>	<u>25,000</u>
<u>NET LOSS</u>	(16,889)	(1,934)
<u>RETAINED EARNINGS - BEGINNING</u>	<u>(385,635)</u>	<u>(383,701)</u>
<u>RETAINED EARNINGS - ENDING</u>	<u>(402,524)</u>	<u>(385,635)</u>

See Accompanying Notes

VILLAGE OF GILBERT, LOUISIANA  
STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1998

	<u>1998</u>	<u>1997</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Loss	(16,889)	(1,934)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	45,007	44,550
(Increase) Decrease in:		
Accounts Receivable	(689)	(630)
Due from Other Funds	180	(16,500)
(Decrease) Increase in:		
Accounts Payable	157	(705)
Accrued Salaries and Payroll Taxes	29	154
Accrued Interest	0	(157)
Customers' Deposits	<u>1,195</u>	<u>140</u>
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	28,990	24,918
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Equipment Purchases	<u>0</u>	<u>(1,500)</u>
<u>TOTAL CASH FLOWS FROM INVESTING ACTIVITIES</u>	0	(1,500)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Reduction of Long-Term Debt	<u>(19,653)</u>	<u>(18,392)</u>
<u>TOTAL CASH FLOWS FROM FINANCING ACTIVITIES</u>	<u>(19,653)</u>	<u>(18,392)</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	9,337	5,026
<u>CASH AT BEGINNING OF YEAR</u>	<u>30,107</u>	<u>25,081</u>
<u>CASH AT END OF YEAR</u>	<u>39,444</u>	<u>30,107</u>
<u>UNRESTRICTED PORTION OF CASH</u>	3,585	1,029
<u>RESTRICTED PORTION OF CASH</u>	<u>35,859</u>	<u>29,078</u>
<u>TOTAL</u>	<u>39,444</u>	<u>30,107</u>

See Accompanying Notes

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY

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

FUND ACCOUNTING

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

GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Funds

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

Debt Service Fund

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

Capital Project Funds

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

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

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	655,304
Estimated Historical Cost	<u>220,992</u>
<u>TOTAL</u>	<u>876,296</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.

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.



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, 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.

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

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



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

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 at variance with generally accepted accounting principles.
- 5) Appropriations lapse at the end of each fiscal year.
- 6) The Board of Aldermen may authorize supplemental appropriations during the year. No supplemental appropriations were made during the fiscal year 1997-1998.

Investments

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

Inventories

Inventory held by the Water Works and Sewer System Fund is priced at the lower of cost (first-in-first-out) or market. Inventories shown in the General Fund consist of gasoline and office supplies held for consumption. Inventory acquisitions in the General Fund are recorded in expense accounts initially and 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 GILBERT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

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 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

Employees with over 5 years of service with the Village receive a total of 15 days vacation and 15 days sick leave per year. Employees with one year to five years of service receive 5 days vacation and 5 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, 1998, continued to have a deficit amount in its retained earnings account. For the year ended June 30, 1998, the current operating deficits were 16,889. The mayor and council are currently considering alternatives to erasing the deficit. The deficit balance in the retained earnings account at June 30, 1998 was 402,524.

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

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 operation, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - CASH

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

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

The carrying amount of the Village's deposits with the financial institutions was 244,443 and the book balance was 239,095. The carrying amount is categorized as follows:

	Category		
	1	2	3
Cash	100,000	144,443	0



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

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, 1998, taxes of 5.96 mills were levied on property with assessed valuations totaling 926,905 were dedicated as follows:

General Fund 5.96 Mills

Totals taxes levied in 1998 were 5,524.

NOTE 4 - RECEIVABLES - OTHER

A summary of other receivables as of June 30, 1998, follows:

General Fund	
Fines	3,180
Capital Project Fund	
Grant Receivable	6,740
Enterprise Fund Water/Sewerage	
Trade Accounts	9,753
Allowance for Doubtful Accounts	<u>(488)</u>
Total Enterprise Fund Water/Sewerage	<u>9,265</u>
<b>TOTAL ALL FUNDS</b>	<b><u>19,185</u></b>

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, 1998.

NOTE 6 - FIXED ASSETS

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

	<u>Balance</u> <u>7/1/97</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Balance</u> <u>6/30/98</u>
Land	11,390	3,000	0	14,390
Buildings	22,731	0	0	22,731
Capital Improvements	665,556	16,932	0	682,488
Furniture & Equipment	21,979	0	0	21,979
Police Equipment	21,274	0	0	21,274
Fire Equipment	103,289	0	0	103,289
Street Equipment	5,050	650	0	5,700
Community Center Equipment	<u>4,445</u>	<u>0</u>	<u>0</u>	<u>4,445</u>
<b>TOTAL</b>	<b><u>855,714</u></b>	<b><u>20,582</u></b>	<b><u>0</u></b>	<b><u>876,296</u></b>

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

NOTE 6 - FIXED ASSETS - CONTINUED

A summary of Proprietary Fund type property, plant, and equipment at June 30, 1998:

Plant and Equipment	998,433
Water and Sewer Systems	336,594
Sewer Collection System	<u>436,200</u>
	1,771,227
Less: Accumulated Depreciation	<u>693,861</u>
Net Property, Plant and Equipment	<u>1,077,366</u>

Depreciation for the year totaled 45,007.

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, 1998:

	Payable At 7/1/97	Additions	Reductions	Balance 6/30/98
Enterprise Fund Debt:				
Revenue Bonds	<u>268,306</u>	0	<u>19,653</u>	<u>248,653</u>
<b>TOTAL</b>	<u>268,306</u>	<u>0</u>	<u>19,653</u>	<u>248,653</u>

Revenue Bonds payable at June 30, 1998 are comprised of the following individual issues:

Revenue Bond - 750,000 Series Water and Sewer System Revenue Bonds due in monthly installments of 2,485 through September, 2009, interest rate at 5%.	<u>248,653</u>
Revenue Bonds Payable at June 30, 1998	<u>248,653</u>

The annual requirements to amortize all debt outstanding as of June 30, 1998 including interest payments of 83,346 are as follows:

Annual Requirements to Amortize Long-Term Debt  
June 30, 1998

Year Ending June 30,	<u>Revenue</u>
1999	29,816
2000	29,816
2001	29,816
2002	29,816
2003	29,816
Thereafter	<u>182,919</u>
<b>TOTAL</b>	<u>331,999</u>

Interest expense for the year was 12,878.



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

NOTE 7 - CHANGES IN LONG-TERM DEBT - CONTINUED

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.

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, 1998 arising from these transactions as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	0	16,683
Enterprise Fund	16,683	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, 1998.

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, 1998.

**MARCUS, ROBINSON and HASSELL**

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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the financial statements of the Village of Gilbert, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated October 7, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

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

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

*Marcus, Robinson and Hassell*  
Marcus, Robinson and Hassell  
October 7, 1997

VILLAGE OF GILBERT, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 1998

<u>Pass Through Grantor Program Title</u>	<u>CFDA Number</u>	<u>Award Period</u>	<u>Expenditures</u>
<u>NON-MAJOR PROGRAMS</u>			
Community Development Block Grant	14.228	7/1/97- 6/30/98	<u>19,932</u>
			<u>19,932</u>

See Notes to Financial Statements

VILLAGE OF GILBERT  
GILBERT, LOUISIANA

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

**PART I - SUMMARY OF THE AUDITOR'S RESULTS**

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section 510 (a).
- vi. There were no major federal programs for the year ended June 30, 1998.
- vii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 520 (b) was \$300,000.

**PART II - Finding(s) relating to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:**

NONE

See Notes to Financial Statements

VILLAGE OF GILBERT, LOUISIANA  
SCHEDULE OF COMPENSATION PAID MAYOR AND BOARD OF ALDERMEN  
FOR THE YEAR ENDED JUNE 30, 1998

<u>NAME</u>	<u>AMOUNT</u>
Louis Ezell - Mayor	2,760
E.L. Tackel - Alderman	450
Don Englerth - Alderman	360
Nathan Roberts - Alderman	<u>270</u>
<u>TOTAL</u>	<u>3,840</u>