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TOWN OF GIBSLAND, LOUISIANA

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1998

*Reissued Report -*

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 ~~FEB 10 1999~~

TOWN OF GIBSLAND, LOUISIANA  
GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1998

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# WILLIAM D. EDWARDS

Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA / Society of LCPA'S

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, 1998, 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.

As discussed in Note 11 to the financial statements, certain errors resulting in an understatement of previously reported assets and fund equity as of June 30, 1998, were discovered by the mayor and board of aldermen subsequent to the issuance of my report on those financial statements dated November 12, 1998. Accordingly, the accompanying June 30, 1998 financial statements have been restated to correct the error.



William D. Edwards, CPA  
January 15, 1999

TOWN OF GIBSLAND  
 COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1998

	<u>Governmental Fund Types</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>
<b>ASSETS:</b>			
<u>Unrestricted Assets</u>			
Cash and Cash Equivalents	24,057		3,063
Accounts Receivable	1,586		
Due from Other Funds	15,906		
Plant, Property, and Equipment			
Accumulated Depreciation			
	-----	-----	-----
Total Unrestricted Assets	41,549		3,063
<u>Restricted Assets</u>			
Cash in Bank - Customer Deposits			
Cash in Bank - FmHA Requirements			
	-----	-----	-----
Total Restricted Assets			
	-----	-----	-----
<b>TOTAL ASSETS</b>	<u>41,549</u>		<u>3,063</u>
 <b>LIABILITIES AND FUND EQUITY</b>			
<u>Liabilities</u>			
Accounts Payable and Taxes Payable	6,836		
Due to Other Funds	40,488		
Notes Payable - Current			
Notes Payable - Long Term			
Accrued Interest			
Customer Deposits			
	-----	-----	-----
Total Liabilities	47,324		-0-
<u>Fund Equity</u>			
Contributed Capital - Grants			
Investments in General Fixed Assets			
Retained Earnings Reserved for Debt Retirements			
Retained Earnings Unreserved			
Fund Balance Unreserved - Undesignated	(5,775)		3,063
Fund Balance Reserved			
	-----	-----	-----
Total Fund Equity	(5,775)		3,063
	-----	-----	-----
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>41,549</u>		<u>3,063</u>

Proprietary Funds

(Memorandum Only)

<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Fixed Assets Group</u>	<u>Total All Fund</u>
30,947	30,545		88,612
12,979	10,594		25,159
85,145	34,209		135,260
1,120,131	1,017,610	228,068	2,365,809
(421,735)	(358,499)		(780,234)
-----	-----	-----	-----
827,467	734,459	228,068	1,834,606
3,898			3,898
83,647	25,035		108,682
-----	-----	-----	-----
87,545	25,035		112,580
-----	-----	-----	-----
915,012	759,494	228,068	1,947,186
=====	=====	=====	=====
1,406	1,495		9,737
43,125	51,647		135,260
11,000	8,000		19,000
348,000	412,065		760,065
9,790	7,888		17,678
3,898			3,898
-----	-----	-----	-----
417,219	481,095		945,638
595,763	295,770		891,533
		228,068	228,068
78,003			78,003
(175,973)	17,371		(193,344)
			(2,712)
-----	-----	-----	-----
497,793	278,399	228,068	1,001,548
-----	-----	-----	-----
915,012	759,474	228,068	1,947,186
=====	=====	=====	=====

TOWN OF GIBSLAND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 1998

	General	Special Revenue	Capital Projects	Total
	-----	-----	-----	-----
<b>Revenues</b>				
Grant			53,969	53,969
Occupational License	14,365			14,365
Sales Tax	52,597			52,597
Franchise Fees	19,095			19,095
Property Taxes		40,569		40,569
Tobacco Tax and Beer Tax	6,713			6,713
Other Revenue	3,330			3,330
Fines and Forfeitures	11,110			11,110
Interest	222			222
	-----	-----	-----	-----
Total Revenue	107,432	40,569	53,969	201,970
<b>Expenditures</b>				
General Government	42,829			42,829
Public Safety - Police	45,461			45,461
Operations and maintenance - Street	21,535			21,535
Capital Outlay			50,906	50,906
	-----	-----	-----	-----
Total Expenditures	109,825	-0-	50,906	160,731
<b>Other Financing Services (Uses)</b>				
Operating Transfers In	20,810			20,810
Operating Transfers Out		(40,569)		(40,569)
	-----	-----	-----	-----
Total Other Financing	20,810	(40,569)	-0-	(19,759)
<b>Excess of Expenditures Over Revenues</b>				
	18,417		3,063	21,480
Fund Balance at Beginning of Year	(24,192)		-0-	(24,192)
	-----	-----	-----	-----
<b>FUND BALANCE AT END OF YEAR</b>	<b>( 5,775)</b>	<b>-0-</b>	<b>3,063</b>	<b>( 2,712)</b>
	=====	=====	=====	=====



TOWN OF GIBSLAND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN ACCUMULATED DEFICIT  
PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1998

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues:			
Fees	125,082	75,387	200,469
Other Income	3,691	1,948	4,639
	-----	-----	-----
Total Operating Revenue	128,773	76,335	205,108
 Operating Expenses:			
Salaries and Related Benefits	23,203	23,100	46,303
Office Expenses	4,836	781	5,617
Maintenance and Repairs-Plant	255	7,360	7,615
Insurance	6,130	4,593	10,723
Chemicals		5,835	5,835
Contract Labor		633	633
Depreciation	30,305	25,617	55,922
Legal And Accounting	3,955		3,955
Utilities	15,569	3,731	19,300
Telephone	1,290	440	1,730
Vehicle Expense	2,137	2,253	4,390
Miscellaneous	3,157	8,042	11,199
Supplies	13,232	23,743	36,975
Equipment	2,054	-0-	2,054
NSF Checks and Bank Charges	200	216	416
	-----	-----	-----
Total Operating Expenses	106,323	106,344	212,667
	-----	-----	-----
Operating Income	22,450	(30,009)	(7,559)
Nonoperating Revenue (Expenses)			
Interest Expense	(16,662)	(21,400)	(38,062)
Interest Income	2,944	528	3,472
Legal & Acct - Net		3,999	3,999
Special Revenue		19,987	19,987
	-----	-----	-----
Total	(13,718)	3,114	(10,604)
Net Income	8,732	(26,895)	(18,163)
Prior Period Adjustment	1,451		1,451
Beginning Fund Balance	489,061	305,294	794,355
	-----	-----	-----
Ending Fund Balance	497,793	278,399	776,192
	=====	=====	=====

TOWN OF GIBSLAND  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1998

Cash Flows From Operating Activities:

Operating Loss	(7,559)
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	55,922
Increase in Accounts Receivable	3,606
Decrease in Accrued Interest	(12,256)
Decrease in Accounts Payable	756
Decrease in Customer Deposits	436
Increase in Interfund Payables	22,516
Increase in Interfund Receivables	(20,744)
	-----
	50,236
	-----
Net Cash Provided by Operations	42,677

Cash Flows From Capital and Related Financing Activities:

Increase in Fixed Assets	
Purchase of Truck	(2,500)

Net Cash Used By Capital and Related Financing Activities

Cash Flows From Investing Activities:

Operating Transfer	19,987
Principal Reductions	(27,000)
Interest Payments	(38,062)
Interest Income	3,472
Grant Net	3,999
	-----

Net Cash Used By Investing Activities (37,604)

Net Increase In Cash	2,573
Cash At Beginning Of Year	171,499
	-----
Cash At End Of Year	171,499
	=====

CASH SHOWN ON BALANCE SHEET

Current Assets

Cash - Unrestricted	61,492
Cash - Restricted	112,580
	-----
	174,072
	=====



TOWN OF GIBSLAND, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1998

(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 comprises 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, 1998

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, 1998, 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, 1998; 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, 1998

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 5-40 years.

G. Accumulated Unpaid Vacation, Sick Pay and Other Employee Benefits and Pensions Amounts.

Accumulated vacation, sick pay and other employee 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, 1998, 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 GASB 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	100,000	98,129		198,129
	=====	=====	=====	=====

(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, 1998

For the year ended June 30, 1998, taxes of 20,301 were levied on property with assessed valuations totaling \$ 1,664,000 and were dedicated entirely for general purposes.

In addition, taxes of 1,618,870 were levied on property with assessed valuations totaling \$ 19,169 and were dedicated entirely to the Proprietary Fund to pay off debt.

Total taxes originally levied were \$ 20,301, of which approximately \$11,820 was assessed on residential property and \$ 8,481 was assessed on commercial property for general purposes. Total taxes of \$ 19,169 were assessed for the Proprietary Fund.

	<u>Property Tax Calendar</u>
Assessment Date	June 30, 1997
Levy Date	October 31, 1997
Tax Bills Mailed	October 15, 1997
Date Taxes Are Due	December 31, 1997
Penalties and Interest Are Added	December 31, 1997
Lien Date	January 15, 1998
Anticipated Tax Sale	February 25, 1998

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, 1998, is shown below:

	<u>General Fixed Asset Account Group</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>6/30/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/98</u>
Land	23,463	\$	\$	23,463
Building & Improvements	45,515			45,515
Vehicles	20,100			20,100
Furniture & Equipment	138,810			138,810
	-----	-----	-----	-----
Total	228,068	\$ -0-	\$ -0-	228,068
	=====	=====	=====	=====

TOWN OF GIBSLAND, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 1998

Proprietary Fund

	<u>6/30/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/98</u>
Land	49,175			49,175
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
Vehicle		2,500		2,500
Construction in progress		50,906		50,906
	-----	-----	-----	-----
	2,135,241	53,406		2,188,647
Accumulated Depreciation	(724,312)	(55,922)		(780,234)
	-----	-----	-----	-----
Net Fixed Assets	<u>1,410,929</u>	<u>(2,516)</u>		<u>1,408,413</u>

	<u>Water Fund</u>	<u>Sewer Fund</u>
Summary:		
Land	49,175	
Buildings	7,935	
Sewer System		1,016,360
Water System	911,811	
Equipment	7,500	
Water Improvements	142,460	
Vehicle	2,500	
Construction in progress		50,906
	-----	-----
	1,121,381	1,067,266
Accumulated Depreciation	(421,735)	(358,499)
	-----	-----
Net	<u>699,646</u>	<u>708,767</u>

(5) - Long Term Debt - Proprietary Fund

The following is a summary of long-term debt transactions for the Town for the year ended June 30, 1998:

	<u>Total</u>	<u>Water</u>	<u>Sewer</u>
Note Payable, July 1, 1996	806,065	370,000	436,065
Principal Payments	(27,000)	(11,000)	(16,000)
	-----	-----	-----
Note Payable, June 30, 1998	<u>777,065</u>	<u>359,000</u>	<u>420,065</u>

TOWN OF GIBSLAND, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 1998

Notes payable at June 30, 1998, consists of one notes payable to the U.S. Department of Agriculture - Farmers Home Administration. The basic data on the notes is summarized below:

			<u>Total</u>	<u>Water</u>	<u>Sewer</u>
Loan 91 01	11/20/80	5.00%	317,000	317,000	
Loan 92 01	07/15/83	5.00%	83,950		83,950
Loan 92 02	07/15/83	5.00%	169,000		169,000
Loan 92 03	07/15/83	5.00%	84,165		84,165
Loan 91 05	11/20/80	5.00%	42,000	42,000	
Loan 92 06	08/08/85	6.75%	84,165		84,165
			-----	-----	-----
	Total		779,065	359,000	420,065
			=====	=====	=====

(6) - Interfund Receivables and Payables

At June 30, 1998, interfund receivables and payables were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	15,906	40,488
Water Fund	85,145	43,125
Sewer Fund	34,208	51,647
	-----	-----
Total	135,260	135,260
	=====	=====

(7) - Pension and Retirement Plan

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

(8) - Enterprise 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	735
Joe R. Youngblood, Jr	Alderman	350
Dawson Anglin	Alderman	350
Judy Shaffer	Alderwoman	213
Mary Rochelle	Alderwoman	337
Karl Pentecost	Alderman	112
Total Per Diem Payments		\$ 2,097
		=====



TOWN OF GIBSLAND, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 1998

(10) - 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, 1998, there were no related party transactions.*

(11) - Reissued Report

Subsequent to the issuance of the report dated November 12, 1998, it was later determined that there was an additional bank account set up for a grant that was inadvertently left off of the audit report. The report has been reissued to include that data.

# WILLIAM D. EDWARDS

Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA / Society of LCPA'S

## 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 evaluation management's assertions about Town of Gibsland's compliance with certain laws and regulations during the year ended June 30, 1998 included in the accompanying *Louisiana Attestation 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.

As discussed in Note 11 to the financial statements, certain errors resulting in an understatement of previously reported assets and fund equity as of June 30, 1998, were discovered by the mayor and board of aldermen subsequent to the issuance of my report on those financial statements dated November 12, 1998.

### *Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

I examined cash disbursement records which indicated no purchases which would require the public bidding requirements.

### *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 42:1101-1124 (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 (3) 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 (3) 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 revenue or expenditures exceed budgeted amounts by more than 5%.

The General Fund actual revenue was less than budget, however actual expenses were less by more resulting in net income. The Water Fund did not exceed the budget by more than 5%. The Sewer Fund Revenue and Expenses exceeded over 5% - the expenses were over the revenue resulting in a Net Loss for the year.

*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 Gibsland, 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.

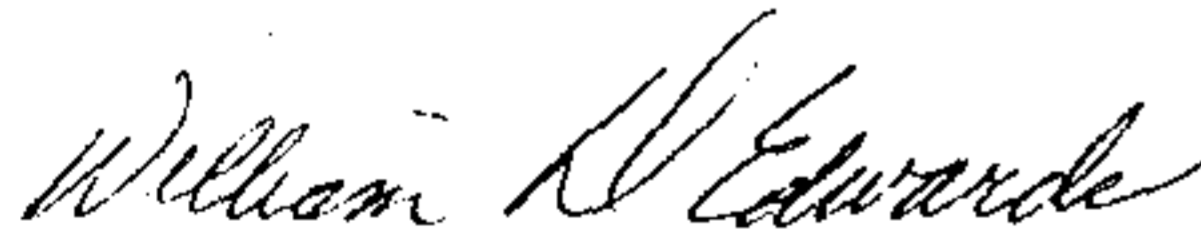
*Advances and Bonuses*

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 Gibsland, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken 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  
January 15, 1999



LOUISIANA ATTESTATION QUESTIONNAIRE **RECEIVED**

June 3, 1998 Date

DEC 18 1998

LEGISLATIVE AUDITOR

William D. Edwards, CPA APAC

210 N. Trenton

Ruston, La. 71270

(Auditors)

In connection with your compilation of our financial statements as of June 30, 1998 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 6-30-98 (date).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes  No

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

It is true that no employees or officials have accepted anything of value, whether in the form of service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39-43.

Yes  No

LOUISIANA ATTESTATION QUESTIONNAIRE

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:38.

Yes  No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes  No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes  No

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.



