

VILLAGE OF MONTELEONE
 Montpelier, Louisiana

YEAR ENDED JUNE 30, 1997

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Durnin & James

MEMBERSHIP FIRM OF ACCOUNTANTS

John H. Durnin, CPA*
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November 11, 1997

ACCOUNTANTS' COMPILATION REPORT

The Honorable Bruce B. Byham, Mayor
and the Members of the Board of Aldermen
Village of Montpelier, Louisiana

We have compiled the accompanying general purpose financial statements of the Village of Montpelier, Louisiana as of June 30, 1997 and 1996, and for the years then ended, as listed in the table of contents, in accordance with standards established 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 the Village of Montpelier, Louisiana. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The information included in the accompanying schedule 1 is presented only for supplementary analysis purposes. Such information has been compiled from information that is the representation of the Village of Montpelier, Louisiana, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Respectfully submitted,


DURNIN & JAMES, CPAs

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

VILLAGE OF HOUSTONVILLE
Houssatoune, Louisiana

EXHIBIT A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT CATEGORIES

JUNE 30, 1997

	GOVERNMENTAL		PROPRIETARY		ACCOUNT FUNDS	TOTALS	
	FUND TYPE		FUND TYPE			PROGRAMS	
	GENERAL	SPECIAL	GENERAL	SPECIAL		JUNE 30,	JUNE 30
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	1997	1996	
ASSETS							
Cash	\$ 4,073		\$ 31,311		\$ -	\$ 35,384	\$ 45,448
Investments	-		128,875		-	128,875	128,875
Receivables (Net of Allowances for Uncollectibles, Where Applicable):							
Taxes	1,508		-		-	1,508	1,747
Accounts	-		8,388		-	8,388	7,800
Other	-		3,888		-	3,888	4,081
Due from Other Funds	14,860		18,421		-	33,281	34,542
Due from Other Governmental Units	1,445		-		-	1,445	1,500
Fixed Assets (Net of Accumulated Depreciation, Where Applicable)	-		288,897		88,380	377,277	343,887
Restricted Assets:							
Cash	-		8,820		-	8,820	8,770
TOTAL ASSETS	\$ 21,516		\$458,282		\$ 88,380	\$566,985	\$568,863
LIABILITIES							
Accounts Payable	\$ 3,375		\$ 7,885		\$ -	\$ 11,260	\$ 7,310
Due to Other Funds	10,812		18,981		-	29,793	28,542
Payable from Restricted Assets:							
Customer Deposits	-		8,620		-	8,620	8,770
TOTAL LIABILITIES	\$ 14,187		\$ 36,351		\$ -	\$ 48,673	\$ 44,622
FUND EQUITY							
Contributed Capital	\$ -		\$88,380		\$ -	\$88,380	\$88,380
Investments in General Fixed Assets	-		-		88,380	88,380	81,380
Retained Earnings:							
Unassigned	-		53,184		-	53,184	78,794
Fund Balance:							
Unassigned	8,820		-		-	8,820	11,261
TOTAL FUND EQUITY	\$ 8,820		\$141,564		\$ 88,380	\$230,644	\$237,831
TOTAL LIABILITIES and Fund Equity	\$ 21,516		\$458,282		\$ 88,380	\$566,985	\$568,863

See accompanying notes and accountants' report.

VILLAGE OF MONTPELIER
Montpelier, Louisiana

EXHIBIT B

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 1997
With Comparative Totals For the Year Ended June 30, 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Taxes	\$ 7,347	\$ 21,289
Licenses and Permits	7,104	3,125
Intra-governmental	21,213	7,728
Fines and Forfeitures	275	3,150
Donation	-	-
Miscellaneous	<u>342</u>	<u>25</u>
TOTAL REVENUES	\$ 36,304	\$ 35,317
Expenditures:		
Current:		
General Government	\$ 21,828	\$ 19,117
Public Safety - Police	12,348	21,103
Public Safety - Fire	20,483	1,400
Capital Outlay	<u> </u>	<u>2,143</u>
Total Expenditures	\$ 54,659	\$ 43,763
Excess (Deficiency) of Revenues over Expenditures	(18,355)	11,554
Other financing sources (uses):		
Operating Transfers in (out)		
Gas Fund	\$ 3,448	\$ 3,442
Water Fund	<u>2,222</u>	<u> </u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(8,707)	14,996
Fund Balance at Beginning of Year	23,282	23,182
Fund Balance at End of Year	\$ 14,575	\$ 38,178

See accompanying notes and accountant's report.

VILLAGE OF HORTONVILLE
Mongipier, Louisiana

EXHIBIT C

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS)
AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED June 30, 1997

	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1996 ACTUAL
Revenues:				
Taxes	\$ 11,083	\$ 7,347	\$ (3,736)	\$11,389
Licenses and Permits	3,823	7,188	3,365	3,823
Intergovernmental	20,445	22,237	1,792	2,822
Fines and Penalties	3,487	275	(3,212)	3,487
Donations	-	-	-	-
Miscellaneous	-	351	351	351
TOTAL REVENUES	\$ 38,838	\$ 37,588	\$ (1,250)	\$22,872
Expenditures:				
CURRENT:				
General Government	\$ 20,910	\$ 21,820	\$ 910	\$18,217
Public Safety - Police	20,910	20,240	670	19,000
Public Safety - Fire	21,820	20,883	937	3,400
Capital Outlay	-	-	-	(2,183)
TOTAL EXPENDITURES	\$ 63,640	\$ 63,843	\$ 203	\$22,700
Excess (Deficiency) of Revenues Over Expenditures	(24,802)	(26,255)	1,453	18,972
Other Financing Sources (Uses)				
Operating Transfers in (Out)	-	-	-	-
Gas Fund	\$ 2,648	\$ 2,648	\$ -	\$ 2,648
Water Fund	(5,296)	(5,296)	1,648	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(2,648)	(2,648)	(1,648)	18,320
Fund Balance at Beginning of Year	11,402	17,283	5,881	21,573
Fund Balance at End of Year	\$ 8,754	\$ 14,635	\$ 5,881	\$22,212

See accompanying notes and accountants' report.

VILLAGE OF MONTELEONE
Monteleone, Louisiana

EXHIBIT D

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS - DISCRETIONARY FUND TYPE

FOR the Year Ended June 30, 1987
With Comparative Totals for the Year Ended June 30, 1986

Operating Revenues:	—1987—	—1986—
Sales	\$ 83,580	\$ 74,001
Connection Charges	380	681
Miscellaneous Revenues	26	—
Total Operating Revenues	\$ 83,986	\$ 74,682
Operating Expenses:		
Salaries and Related	\$ 5,000	\$ 5,000
Purchases	25,000	17,004
Office Expenses	900	1,000
Repairs and Maintenance	18,500	12,000
Taxes	3,240	3,240
Operating Supplies	4,000	4,000
Utilities	3,200	3,000
Insurance	14,000	15,000
Professional Fees	6,000	6,000
Miscellaneous Expenses	3,000	200
Depreciation	11,700	11,700
Tolls and Subscriptions	—	100
Total Operating Expenses	\$ 80,840	\$ 64,944
Operating Income (Loss)	\$ 3,146	\$ 9,738
Nonoperating Income (Expense):		
Interest Earned	\$ 8,000	\$ 8,000
Interest Paid	—	—
Operating Transfers in/out:		
General Fund	1,000	1,000
Net Income (Loss)	\$ 12,146	\$ 14,738
Retained Earnings at Beginning of Year	18,100	31,000
Retained Earnings at End of Year	\$ 30,246	\$ 45,738

See accompanying notes and accountants' report.

VILLAGE OF HOSPIELIER
Hospiteler, Louisiana

PERIOD: 3

Statement of Cash Flows - Supplementary Data Year

FOR THE YEAR ENDED June 30, 1997
With Comparative Totals for the Year Ended June 30, 1996

	1997	1996
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$1 24,950	\$1 10,077
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	21,710	12,731
Reduction in Allowance for Doubtful Accounts	-	-
Changes in Assets and Liabilities:		
Increase (Decrease) in Accounts Receivable	6,890	1 3,021
Increase (Decrease) in Accounts Payable	3,683	3,133
Increase (Decrease) in Customer Deposits Payable	220	1,224
Total Adjustments	32,403	18,109
Net Cash Provided by (Used in) Operating Activities	\$4 57,353	\$1 28,186
Cash Flows From Municipal Financing Activities:		
Increase (Decrease) in Due From Other Funds	-	-
Increase (Decrease) in Due To Other Funds	1 1,641	-
Operating Transfer To Other Funds	1 2,640	1 2,640
Net Cash (Used in) Municipal Financing Activities	\$ 4,281	\$ 2,640
Cash Flows From Investing Activities:		
Interest Earned on Investments	8,842	8,427
Purchase of Investments	(128,070)	(128,070)
Dividends from Holdings of Investments	(118,821)	(288,358)
Net Cash Provided by (Used in) Investing Activities	\$ (238,049)	\$ (407,991)
Cash Flows From Capital and Related Financing Activities:		
Purchase of Equipment	-	1 2,124
Net Cash (Used in) Capital and Related Financing Activities	\$ -	\$1 2,124
Increase (Decrease) in Cash	\$1 3,684	\$ (2,909)
Cash at Beginning of Year	28,738	31,647
Cash at End of Year	\$32,422	\$28,738

See accompanying notes and accountants' report.

Village of Montpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

113 Summary of Significant Accounting Policies -

The Village of Montpelier, Louisiana (the "Village") was incorporated under the provisions of the Louisiana Act. The Village operates under a Mayor-council of Aldermen form of government. The Village provides the following services: public safety (police and fire), streets, drainage, public improvements, and general and administrative services. Other services include water and gas services.

The accounting and reporting policies of the Village of Montpelier conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:121 and to the industry audit guide, Audit of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As the governing authority of the Village, for reporting purposes, the Village of Montpelier is the financial reporting entity for Montpelier, Louisiana. The financial reporting entity consists of (a) primary government, (b) all organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Village of Montpelier for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GAO has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Board to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the board
2. Organizations for which the board does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization be not included because of the nature or significance of the relationship.

Village of Montpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

APRIL 30, 1997

Based on the application of the above criteria, it was determined the Village of Montpelier has no potential component unit. As a result, this report includes all funds and account groups which are controlled by or dependent on the Village executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village was determined on the basis of budget adoption, taxing authority, authority to issue debt, elections or appointment of governing body, and other general oversight responsibility.

B. Fund Accounting

The accounts of the Village of Montpelier 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 two generic fund types and two 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.

ENTERPRISE 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 the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. 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 fund type operations are accounted for on a basis of "financial flow" measurement focus and only current assets and current

village of Napoleon, Louisiana

NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 1987

liabilities are generally included on their balance sheet.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public Works ("Infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs, gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group.

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

Because of their spending measurement focus, expenditures recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-term Debt Account Group.

All proprietary funds are accounted for on a cash of services or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) 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.

Depreciation of all depreciable fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water Utility -	
Wells and Tanks	50 Years
Equipment	10 Years
Pipes and Motors	50 Years
Gas Utility -	
Distribution Lines	25 Years
Gas Motors	15 Years
Equipment	5 Years

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Depreciated fixed assets are stated

Village of Montpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 1987

at their estimated fair value on the date donated.

The Village capitalizes the amount of interest paid during the construction of a project and then amortizes, over the useful life of the asset, the interest capitalized.

The Village has not had to borrow money for current projects, and thus has no capitalized interest costs.

D. 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 per current assets. Employee-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenues at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenues when they are measurable and their validity seems certain. All major revenues are receivable to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid salaries, sick pay, and other employee accounts which are not accrued (Note 11B); (2) principal and interest on long-term debt which is recognized when due; and (3) expenditures operating supplies which are recorded as expenditures at the time of purchase under the "purchase method" basis 11B1.

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 utility services receivable for the Water and Gas Enterprises Fund are recorded at year end. The Village applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1986, unless those pronouncements conflict with or contradict GASB pronouncements.

E. Budgets and Budgetary Accounting

On August 19, 1986, the Mayor and Board of Aldermen of the Village of Montpelier adopted an Ordinance adopting the operating budget for the General Fund for the year ended June 30, 1987. The budget was amended on November 11, 1986.

Village of Westpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 1987

The Village did not comply with certain provisions of state law which require the budget to be adopted prior to the beginning of the fiscal year.

F. Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under State law, the Village may deposit funds in demand deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Village may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

G. Inventory

The Village utilizes the "purchase method" of accounting for supplies in governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. The Village did not conduct any inventory in the Enterprise Funds at June 30, 1987, as the amount is not material.

H. Accumulated Compensated Absences

The Village has no policy regarding employees' vacation pay and employees' sick leave benefits as the Village has no full-time employees. As a result, the Village has no accumulated compensated absences requiring recognition in accordance with GASB Statement 14.

I. Pension Plans

The Village of Westpelier is not a member of any retirement system. The Village is a member of the Social Security system.

J. Total Columns of Combined Statements - Overview

Total columns on the combined statements - overview are captioned "Horizontal Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Identified eliminations have not been made in the aggregation of this data.

Village of Montpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1997

8. Statement of Cash Flows

In accordance with Governmental Accounting Standards Board Statement No. 7, the Village is presenting a statement of cash flows. For purposes of the statement of cash flows, the water and gas Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(C) Ad Valorem Taxes -

The Village of Montpelier did not levy an ad valorem tax for the year ended June 30, 1997.

(D) Cash and cash equivalents -

As June 30, 1997, the Village had cash and cash equivalents (bank balances) totaling \$41,388, as follows:

Demand deposits	\$ -
Interest Bearing Demand Deposits	\$41,388
Total	\$41,388

These deposits are stated at cost, which approximates market. Under state law, these deposits for the remaining bank balances must be secured by Federal deposit insurance or the pledged securities owned by the financial agent bank. The market value of the pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the financial agent. These securities are held in the name of the pledging financial agent bank in a holding or custodial bank that is mutually acceptable to both parties. As June 30, 1997, the Village had \$41,388 in deposits (collateral bank balances). These deposits are secured from risk by \$40,000 of Federal deposit insurance.

(E) Investments

As June 30, 1997, the Village had investments totaling \$128,675, as follows:

	Carrying Amount	Market Value
Certificate of Deposit	\$128,675	\$128,675
Total	\$128,675	\$128,675

The investments are in the name of the Village and are held at the Bank of Montpelier. Because the investments are in the name of the Village and are held by the Village or its agent, the investments are considered registered. Category 1, in

Village of Metairie, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1997

applying the CREDIT RISK OF OTHER COLLATERALIZATION SECTION 108.16a. The certifications of deposit totaling \$128,879 are secured from risk by \$100,000 of Federal deposit insurance and \$28,879 pledged securities through First National Banker's Bank.

(4) Receivables

The following is a summary of receivables at June 30, 1997:

Class of Receivable	General Fund	Enterprise Fund	Total
Utility Franchise Taxes	\$ 1,304	\$ -	\$ 1,304
Accounts Receivable	-	8,568	8,568
Allowance For Uncollectibles	-	(1,000)	(1,000)
Other	-	3,800	3,800
Total	\$ 1,304	\$ 7,368	\$ 8,672

(5) Due from other governmental units -

The following is a summary of amounts due from other governmental units at June 30, 1997:

Amounts due from the state of Louisiana:

Beer Taxes	\$ 100
Tobacco Taxes	134
Videos Poker Taxes	881
Total	\$ 1,115

(6) Interfund Receivables and Payables -

The following is a summary of amounts due from the due to other funds at June 30, 1997.

	1997 FUND	1997 GO.
General Fund:		
Water Enterprise Fund	\$14,581	\$ -
Gas Enterprise Fund	-	28,811
	14,581	28,811
Water Enterprise Fund:		
General Fund	-	28,811
Gas Enterprise Fund	-	1,828
	-	30,639
Gas Enterprise Fund:		
General Fund	18,421	-
Water Enterprise Fund	1,308	-
	19,729	-
Total	\$34,310	\$27,450

Village of New Orleans, Louisiana

NOTES TO FINANCIAL STATEMENTS CONTINUED

JUNE 30, 1987

04) Restricted Assets - Proprietary Fund Type -

Restricted assets were applicable to the following at June 30, 1987:

Customers' Deposits - Cash \$ 3,328

04) Changes in General Fixed Assets -

A summary of changes in general fixed assets follows:

	BALANCE	CURRENT YEAR		BALANCE
	JUNE 1, 1986	ACQUISITIONS	DELETIONS	JUNE 30, 1987
Vehicles	\$42,398	\$ -	\$ -	\$42,398
Office Furniture & Equipment	<u>2,205</u>	<u>-</u>	<u>-</u>	<u>2,205</u>
Total	\$44,603	\$ -	\$ -	\$46,603

04a) Proprietary Fund Property, Plant, and Equipment -

A summary of proprietary fund type property, plant and equipment at June 30, 1987, follows:

	NET DEPRECIATED		TOTAL
	UTILITY	WILLAGE	
Land	\$ 200	\$ -	\$ 200
Equipment	2,874	1,878	4,752
Wells, Tanks, etc.	2,800	-	2,800
Pumps & Equipment	2,800	818	3,618
Water & Gas System	152,253	188,200	340,453
Water & Gas Lines, etc.	28,881	175,548	204,429
Water & Gas Meters	136	858	994
Rejuvenation	-	8,224	8,224
	\$187,230	\$372,648	\$559,878
Less: Accumulated Depreciation	<u>28,424</u>	<u>188,818</u>	<u>217,242</u>
Net Fixed Assets	<u>\$158,806</u>	<u>\$183,830</u>	<u>\$342,636</u>

Depreciation expense on the proprietary fund type property, plant and equipment for the year ended June 30, 1987, totaled \$13,738.

04b) Water Utility Fund Deficit -

At June 30, 1987, the Water Utility Fund had a deficit in retained earnings - unrecovered - undesignated \$43,368 but due to contributed capital, fund equity was \$143,404 at June 30, 1987.

Village of Montpelier, Louisiana

SCHEDULE OF CONTRIBUTIONS FROM THE PRIOR ARE BOARD OF ELDERSHIP

June 19, 1959

Term of Office - January 1, 1958 - December 31, 1958

Bryan B. Eyles, Mayor Route 1, Box 81 Smith, Louisiana 70420 (504)777-4733	\$ -
Mike D. Davis, Alderman Route 1, Box 118 Smith, Louisiana 70420	\$ -
Joseph Stordira, Alderman Route 1, Box 8 Smith, Louisiana 70420 (504)777-4780	\$ -
Randall Francis, Alderman Route 1, Box 112A Smith, Louisiana 70420 (504)777-4778	\$ -
	\$ _____
	\$ _____

See accountants' report.

OTHER REPORTS

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING BOARD-OF-DIRIGEEE

Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS

John H. Durnin, CPA
Bryan E. James, CPA
A Professional Corporation

Charles E. Mallory, CPA
Bryan E. James, CPA

Member
American Institute of
Certified Public Accountants

Member
Society of Certified
Public Accountants

December 31, 1999

INDEPENDENT ACCOUNTANTS' REPORT ON APPLICABLE ACCOUNTING PROCEDURES

The Honorable Bryan E. Dylow, Mayor
and the Members of the Board of Aldermen
Village of Montpelier, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and incorporated below, which were agreed to by the management of Village of Montpelier, Louisiana and the legislative auditors, State of Louisiana, solely to assist the audit in evaluating management's assertions about Village of Montpelier, Louisiana's compliance with certain laws and regulations during the year ended June 30, 1999, included in the accompanying Louisiana Government Certification. 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 users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described herein either for the purposes 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 \$50,000, and determine whether such purchases were made in accordance with LRS-RS 48:1101-1104 (the public bid law).

There were no expenditures during the year for materials and supplies exceeding \$5,000. There were no expenditures for public works exceeding \$50,000.

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 LRS-RS 48:1103-1104 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

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

Management provided us with the required list.

6. 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

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

Management provided us with a copy of the original budget and a copy of the amended budget.

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

We traced the adoption of the original budget and the amended budget to the minutes of meetings held on August 15, 1994, and November 11, 1994, respectively, which indicated that the budgets had been adopted by the Mayor and Aldermen of Village of Montpelier, Louisiana. By a vote of four to three and none opposed. The Village did not comply with certain provisions of state law which require the budget to be adopted prior to the beginning of the fiscal year.

9. 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%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

10. Randomly select eight disbursements made during the period under examination and:
 - (a) trace payments to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the eight selected disbursements and found that payments were for the proper amount and made to the correct payee.

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

All eight of the payments were properly coded to the correct fund and general ledger account.

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- (b) Determine whether payments received approval from proper authorization.

Inspection of documentation supporting each of the eight selected disbursements indicated approvals from the Mayor and the Board of Aldermen.

Meetings

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LA-PS 42:3 through 42:12 the open meetings law.

Village of Montgelier, Louisiana is only required to post a notice of each meeting and the accompanying agenda on the door of the town hall building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

Bank

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.

We 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 Expenses

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 village for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payment to employees which would constitute bonuses, advances, or gifts.

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

This report is intended solely for the use of management of Village of Montgelier, 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.

Respectfully submitted,

Dennis J. Jones
DENNIS J. JONES, CPA's