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VILLAGE OF MONTPELIER  
Montpelier, Louisiana

REPORT ON COMPILATION OF FINANCIAL STATEMENTS

and

REPORT ON APPLYING AGREED-UPON PROCEDURES

including the

LOUISIANA ATTESTATION QUESTIONNAIRE

AS OF AND FOR THE YEAR ENDED JUNE 30, 1999

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 **DEC 07 1999**

VILLAGE OF MONTPELIER  
Montpelier, Louisiana

YEAR ENDED JUNE 30, 1999

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# Durnin & James

•CERTIFIED PUBLIC ACCOUNTANTS•

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August 30, 1999

## ACCOUNTANTS' COMPILATION REPORT

The Honorable Bryan E. Dykes, Mayor  
and the Members of the Board of Alderman  
Village of Montpelier, Louisiana

We have compiled the accompanying general purpose financial statements of the Village of Montpelier, Louisiana as of June 30, 1999, and 1998, 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, CPA'S

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

VILLAGE OF MONTPELIER  
Montpelier, Louisiana

EXHIBIT A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1999

	GOVERNMENTAL	PROPRIETARY	ACCOUNT	TOTALS	
	FUND TYPE	FUND TYPE	GROUP	(MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	FIXED	JUNE 30,	JUNE 30,
	FUND	FUND	ASSETS	1999	1998
<b>ASSETS</b>					
Cash	\$ 2,378	\$ 15,892	\$ -	\$ 18,270	\$ 21,578
Investments	-	128,075	-	128,075	128,075
Receivables (Net of Allowances for Uncollectibles, Where Applicable):					
Taxes	1,546	-	-	1,546	1,479
Accounts	-	4,120	-	4,120	4,489
Other	-	2,712	-	2,712	3,247
Due from Other Funds	11,721	10,611	-	22,332	22,712
Due from Other Governmental Units	1,710	2,215	-	3,925	3,638
Fixed Assets (Net, of Accumulated Depreciation Where Applicable)	-	307,931	80,996	388,927	384,013
Restricted Assets:					
Cash	-	6,830	-	6,830	7,220
Investments	-	8,000	-	8,000	8,000
Total Assets	\$ <u>17,355</u>	\$ <u>486,386</u>	\$ <u>80,996</u>	\$ <u>584,737</u>	\$ <u>584,451</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 3,085	\$ 4,876	\$ -	\$ 7,961	\$ 12,236
Due to Other Funds	10,611	11,721	-	22,332	22,712
Payable from Restricted Assets:					
Customer Deposits	-	6,830	-	6,830	7,220
Total Liabilities	\$ <u>13,696</u>	\$ <u>23,427</u>	\$ <u>-</u>	\$ <u>37,123</u>	\$ <u>42,168</u>
<b>FUND EQUITY</b>					
Contributed Capital	\$ -	\$431,781	\$ -	\$431,781	\$431,781
Investment in General Fixed Assets	-	-	80,996	80,996	65,386
Retained Earnings:					
Unreserved - Undesignated	-	31,178	-	31,178	38,593
Fund Balance:					
Unreserved - Undesignated	<u>3,659</u>	-	-	<u>3,659</u>	<u>6,523</u>
Total Fund Equity	\$ <u>3,659</u>	\$ <u>462,959</u>	\$ <u>80,996</u>	\$ <u>547,614</u>	\$ <u>542,283</u>
Total Liabilities and Fund Equity	\$ <u>17,355</u>	\$ <u>486,386</u>	\$ <u>80,996</u>	\$ <u>584,737</u>	\$ <u>584,451</u>

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, 1999  
With Comparative Totals For the Year Ended June 30, 1998

	<u>1999</u>	<u>1998</u>
Revenues:		
Taxes	\$ 5,698	\$ 7,122
Licenses and Permits	10,165	8,705
Intergovernmental	21,299	6,213
Fines and Forfeitures	1,453	3,466
Sale of Assets	800	-
Miscellaneous	<u>104</u>	<u>313</u>
Total Revenues	\$ 39,519	\$ 25,819
Expenditures:		
Current:		
General Government	\$ 19,975	\$ 19,415
Public Safety - Police	9,298	10,520
Public Safety - Fire	981	554
Capital Outlay	<u>17,169</u>	<u>-</u>
Total Expenditures	\$ 47,423	\$ 30,489
Excess (Deficiency) of Revenues Over Expenditures	(7,904)	(4,670)
Other Financing Sources (Uses):		
Operating Transfers In (Out)		
Gas Fund	\$ 1,980	\$ 2,640
Water Fund	<u>3,060</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(2,864)	(2,030)
Fund Balance at Beginning of Year	<u>6,523</u>	<u>8,553</u>
Fund Balance at End of Year	\$ <u>3,659</u>	\$ <u>6,523</u>

See accompanying notes and accountants' report.

VILLAGE OF MONTPELIER  
Montpelier, 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, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>	1998 <u>ACTUAL</u>
<b>Revenues:</b>				
Taxes	\$ 7,500	\$ 5,698	\$ (1,802)	\$ 7,122
Licenses and Permits	8,500	10,165	1,665	8,705
Intergovernmental	20,900	21,299	399	6,213
Fines and Forfeitures	4,000	1,453	(2,547)	3,466
Sale of Assets	-	800	800	-
Miscellaneous	-	104	104	313
<b>Total Revenues</b>	<b>\$ 40,900</b>	<b>\$ 39,519</b>	<b>\$ (1,381)</b>	<b>\$ 25,819</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	\$ 21,688	\$ 19,975	\$ 1,713	\$ 19,415
Public Safety - Police	11,500	9,298	2,202	10,520
Public Safety - Fire	1,500	981	519	554
Capital Outlay	15,000	17,169	(2,169)	-
<b>Total Expenditures</b>	<b>\$ 49,688</b>	<b>\$ 47,423</b>	<b>\$ 2,265</b>	<b>\$ 30,489</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(8,788)</b>	<b>(7,904)</b>	<b>884</b>	<b>(4,670)</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In (Out)	-	-	-	-
Gas Fund	\$ 2,640	\$ 1,980	\$ ( 660)	\$ 2,640
Water Fund	2,400	3,060	660	-
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>(3,748)</b>	<b>(2,864)</b>	<b>884</b>	<b>(2,030)</b>
<b>Fund Balance at Beginning of Year</b>	<b>5,492</b>	<b>6,523</b>	<b>1,031</b>	<b>8,553</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,744</b>	<b>\$ 3,659</b>	<b>\$ 1,915</b>	<b>\$ 6,523</b>

See accompanying notes and accountants' report.



VILLAGE OF MONTPELIER  
Montpelier, Louisiana

EXHIBIT D

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

For the Year Ended June 30, 1999  
With Comparative Totals for the Year Ended June 30, 1998

	<u>1999</u>	<u>1998</u>
Operating Revenues:		
Sales	\$ 62,864	\$ 71,071
Connection Charges	325	954
Miscellaneous Revenues	<u>-</u>	<u>-</u>
Total Operating Revenues	\$ 63,189	\$ 72,025
Operating Expenses:		
Salaries and Related	\$ 6,095	\$ 5,712
Purchases	16,895	23,869
Office Expense	1,709	1,774
Repairs and Maintenance	2,768	11,090
Taxes	2,555	2,191
Operating Supplies	5,342	8,132
Utilities	4,589	4,462
Insurance	13,879	12,912
Professional Fees	4,856	7,312
Miscellaneous Expense	484	488
Depreciation	13,121	12,798
Dues and Subscriptions	<u>150</u>	<u>-</u>
Total Operating Expenses	\$ 72,443	\$ 90,740
Operating Income (Loss)	\$( 9,254)	\$(18,715)
Nonoperating Income (Expense):		
Interest Earned	\$ 6,879	\$ 6,764
Interest Paid	-	-
Operating Transfers In (Out)		
General Fund	<u>( 5,040)</u>	<u>( 2,640)</u>
Net Income (Loss)	\$( 7,415)	\$(14,591)
Retained Earnings at Beginning of Year	<u>38,593</u>	<u>53,184</u>
Retained Earnings at End of Year	<u>\$ 31,178</u>	<u>\$ 38,593</u>

See accompanying notes and accountants' report.



VILLAGE OF MONTPELIER  
Montpelier, Louisiana

EXHIBIT E

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE

For the Year Ended June 30, 1999  
With Comparative Totals for the Year Ended June 30, 1998

	<u>1999</u>	<u>1998</u>
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$ ( 9,254)	\$ (18,715)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	13,121	12,798
Reduction in Allowance for Uncollectible Accounts	-	-
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	954	( 1,874)
Increase (Decrease) in Accounts Payable	( 4,454)	1,345
Increase (Decrease) in Customer Deposits Payable	<u>( 390)</u>	<u>1,200</u>
Total Adjustments	\$ <u>9,231</u>	\$ <u>13,469</u>
Net Cash Provided by (Used in) Operating Activities	\$ ( 23)	\$ ( 5,246)
Cash Flows From Noncapital Financing Activities:		
(Increase) in Due From Other Funds	-	-
(Decrease) in Due To Other Funds	( 380)	( 2,400)
Operating Transfer To Other Funds	<u>( 5,040)</u>	<u>( 2,640)</u>
Net Cash (Used in) Noncapital Financing Activities	( 5,420)	( 5,040)
Cash Flows From Investing Activities:		
Interest Earned on Investments	6,879	6,764
Purchase of Investments	( 8,000)	(136,075)
Proceeds From Maturities of Investments	<u>8,000</u>	<u>128,075</u>
Net Cash Provided by (Used in) Investing Activities	\$ 6,879	\$ ( 1,236)
Cash Flows From Capital and Related Financing Activities:		
Purchase of Equipment	( 2,425)	(65,487)
Proceeds of State Grant	<u>-</u>	<u>63,489</u>
Net Cash (Used in) Capital and Related Financing Activities	\$ <u>( 2,425)</u>	\$ <u>( 1,998)</u>
Increase (Decrease) in Cash	\$ ( 989)	\$ (13,520)
Cash at Beginning of year	<u>23,711</u>	<u>37,231</u>
Cash at End of Year	\$ <u>22,722</u>	\$ <u>23,711</u>

See accompanying notes and accountants' report.

Village of Montpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(1) Summary of Significant Accounting Policies -

The Village of Montpelier, Louisiana (the "Village") was incorporated under the provisions of the Lawrason Act. The Village operates under a Mayor-Board 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 24:517 and to the industry audit guide, Audits 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 (council), (b) 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 GASB has set forth criteria to be considered in determining financial accountability. This criteria 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 is not included because of the nature or significance of the relationship.

Village of Montpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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, election 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.

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 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 spending or "financial flow" measurement focus and only current assets and current



Village of Montpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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 domain ("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, 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 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 exhaustible 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
Lines and Meters	50 Years
Gas Utility -	
Distributions Lines	25 Years
Gas Meters	15 Years
Equipment	5 Years

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

Village of Montpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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 recent 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 related 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. All major revenues are susceptible 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 vacation, sick pay, and other employee amounts which are not accrued (Note (1)H); (2) principal and interest on long-term debt which is recognized when due; and (3) expendable operating supplies which are recorded as expenditures at the time of purchase under the "purchase method" (note (1)G).

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 Enterprise 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, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

E. Budgets and Budgetary Accounting

On June 12, 1998, 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, 1999. The budget was not amended during the year ended June 30, 1999.

Village of Montpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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 record any inventory in the Enterprise Funds at June 30, 1999, as the amount is not material.

H. Accumulated Compensated Absences

The Village has no policy recording 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 16.

I. Pension Plans

The Village of Montpelier is not a member of any retirement system. The Village is a member of the social security system.

J. Total Columns on Combined Statements - Overview

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

K. Statement of Cash Flows

In accordance with Governmental Accounting Standards Board Statement No. 9, 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



Village of Montpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(2) Ad Valorem Taxes -

The Village of Montpelier did not levy an ad valorem tax for the year ended June 30, 1999.

(3) Cash and Cash Equivalents -

At June 30, 1999, the Village had cash and cash equivalents (book balances) totaling \$25,100, as follows:

Demand Deposits	\$ -
Interest Bearing Demand Deposits	<u>25,100</u>
Total	<u>\$25,100</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledged securities owned by the fiscal 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 fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the Village had \$25,388 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance.

(4) Investments

At June 30, 1999, the Village had investments totaling \$136,075, as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Certificate of Deposit	<u>\$136,075</u>	<u>\$136,075</u>
Total	<u>\$136,075</u>	<u>\$136,075</u>

The investments are in the name of the Village and are held at the Bank of Greensburg. 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 applying the credit risk of GASB Codification Section I50.164. The certificates of deposit totaling \$136,075 are secured from risk by \$100,000 of federal deposit insurance and \$36,075 pledged securities through First National Banker's Bank.



Village of Montpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

(5) Receivables

The following is a summary of receivables at June 30, 1999:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Utility Franchise Taxes	\$ 1,546	\$ -	\$ 1,546
Accounts Receivable	-	5,770	5,770
Allowance for Uncollectibles	-	(1,650)	(1,650)
Other	-	<u>2,712</u>	<u>2,712</u>
Total	<u>\$ 1,546</u>	<u>\$ 6,832</u>	<u>\$ 8,378</u>

(6) Due From Other Governmental Units -

The following is a summary of amounts due from other governmental units at June 30, 1999:

Amounts due from the State of Louisiana:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Beer Taxes	\$ 172	\$ -	\$ 172
Tobacco Taxes	334	-	334
Video Poker Taxes	1,204	-	1,204
State Grant	<u>-</u>	<u>2,215</u>	<u>2,215</u>
	<u>\$ 1,710</u>	<u>\$ 2,215</u>	<u>\$ 3,925</u>

(7) Interfund Receivables and Payables -

The following is a summary of amounts due from the due to other funds at June 30, 1999.

	<u>DUE FROM</u>	<u>DUE TO</u>
General Fund:		
Water Enterprise Fund	\$11,721	\$ -
Gas Enterprise Fund	<u>-</u>	<u>10,611</u>
	<u>11,721</u>	<u>10,611</u>
Water Enterprise Fund:		
General Fund	-	11,721
Gas Enterprise Fund	<u>549</u>	<u>-</u>
	<u>549</u>	<u>11,721</u>
Gas Enterprise Fund:		
General Fund	10,611	-
Water Enterprise Fund	<u>-</u>	<u>549</u>
	<u>10,611</u>	<u>549</u>
Totals	<u>\$22,881</u>	<u>\$22,881</u>

Village of Montpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

(8) Restricted Assets - Proprietary Fund Type -

Restricted assets were applicable to the following at June 30, 1999:

Customers' Deposits - Cash \$ 6,830

(9) Changes in General Fixed Assets -

A summary of changes in general fixed assets follows:

	BALANCE JULY 1, <u>1998</u>	<u>CURRENT YEAR</u>		BALANCE JUNE 30, <u>1999</u>
		<u>ADDITIONS</u>	<u>DELETIONS</u>	
Vehicles	\$62,390	\$17,169	\$ 1,559	\$78,000
Office Furniture & Equipment	<u>2,996</u>	-	-	<u>2,996</u>
Total	<u>\$65,386</u>	<u>\$17,169</u>	<u>\$ 1,559</u>	<u>\$80,996</u>

(10) Proprietary Fund Property, Plant and Equipment -

A summary of proprietary fund type property, plant and equipment at June 30, 1999, follows:

	WATER <u>UTILITY</u>	GAS <u>UTILITY</u>	<u>TOTAL</u>
Land	\$ 200	\$ -	\$ 200
Equipment	6,669	2,726	9,395
Well, Tank, etc.	3,860	-	3,860
Pumps & Equipment	6,806	818	7,624
Water & Gas System	153,133	100,102	253,235
Water & Gas Lines, etc.	24,001	243,031	267,032
Water & Gas Meters	336	952	1,288
Rejuvenation	-	<u>6,154</u>	<u>6,154</u>
	\$195,005	\$353,783	\$548,788
Less: Accumulated Depreciation	<u>66,499</u>	<u>174,358</u>	<u>240,857</u>
Net Fixed Assets	<u>\$128,506</u>	<u>\$179,425</u>	<u>\$307,931</u>

Depreciation expense on the proprietary fund type property, plant and equipment for the year ended June 30, 1999, totaled \$13,121.

(11) Water Utility Fund Deficit -

At June 30, 1999, the Water Utility Fund had a deficit in retained earnings - unreserved - undesignated \$33,524 but due to contributed capital, fund equity was \$462,959 at June 30, 1999.

Village of Montpelier, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

(12) Year 2000 Issue -

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The Village of Montpelier has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary for conducting the Village's operations. Based on this inventory, the Village is in the remediation stage in that hardware and software have been acquired believed to be year 2000 compliant for the financial reporting systems. Testing and validation of the systems have been completed.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Village is or will be year 2000 ready, that the Village's remediation efforts will be successful in whole or in part, or that parties with whom the Village does business will be year 2000 ready.

SCHEDULE OF COMPENSATION PAID  
THE MAYOR AND BOARD OF ALDERMEN

Village of Montpelier, Louisiana

SCHEDULE OF COMPENSATION PAID THE MAYOR AND BOARD OF ALDERMEN

June 30, 1999

Term of Office - January 1, 1999 - December 31, 2002

Bryan E. Dykes, Mayor Route 1, Box M 1 Amite, Louisiana 70422 (504)777-4733	\$ -
Mike P. Davis, Alderman Route 1, Box 136 Amite, Louisiana 70422	\$ -
Kenneth Giardina, Alderman Route 1, Box M Amite, Louisiana 70422 (504)777-4780	\$ -
Bonnie N. Ard, Alderman 36136 Highway 16 Montpelier, Louisiana 70422 (504)777-4778	\$ 1,662
	<hr/>
	<u>\$ 1,662</u>

See accountants' report.

OTHER REPORTS

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES



# Durnin & James

•CERTIFIED PUBLIC ACCOUNTANTS•

John N. Durnin, CPA\*  
Dennis E. James, CPA\*  
\*A Professional Corporation

Member  
American Institute of  
Certified Public Accountants

Charles D. Mathews, CPA  
Bryon C. Garrety, CPA

Member  
Society of Louisiana  
Certified Public Accountants

August 30, 1999

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Bryan E. Dykes, 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 enumerated below, which were agreed to by the management of Village of Montpelier, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users 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 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 users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures during the year for materials and supplies exceeding \$15,000. There were no expenditures for public works exceeding \$100,000.

### 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 LSA-RS 42:1101-1124 (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.

VILLAGE OF MONTPELIER

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

Management provided us with 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 [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 us with a copy of the original budget. There were no amendments to the budget during the year.

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

We traced the adoption of the original budget to the minutes of meeting held on June 12, 1998, which indicated that the budget had been adopted by the Mayor and Aldermen of the Village of Montpelier, Louisiana, by a vote of four in favor and none opposed. No amendments were made to the budget during the year.

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

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 actual amounts by more than 5%.

**Accounting and Reporting**

8. Randomly select six 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 six selected disbursements and found that payment was 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

VILLAGE OF MONTPELIER

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

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

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

**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).

Village of Montpelier, 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.

**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.

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 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 Village for the year indicated no payments were authorized or paid. 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.

**Prior Year Findings**

- 12. Our prior year report, dated November 16, 1998, did not include any comments or unresolved matters.

We were 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, 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.

VILLAGE OF MONTPELIER

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

  
DURNIN & JAMES (CPA'S

FINDINGS AND RECOMMENDATIONS

VILLAGE OF MONTPELIER  
Montpelier, Louisiana

CURRENT YEAR AGREED UPON PROCEDURES FINDINGS  
For the Year Ended June 30, 1999

FINDINGS AND RECOMMENDATIONS

Compliance

None

Internal Control Over Financial Reporting

None

CORRECTIVE ACTION PLAN FOR THE CURRENT YEAR  
AGREED UPON PROCEDURES FINDINGS



VILLAGE OF MONTPELIER  
Montpelier, Louisiana

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AGREED UPON PROCEDURES FINDINGS  
For the Year Ended June 30, 1999

<u>Ref.#</u>	<u>Description of Finding</u>	<u>Corrective Action Plan</u>	<u>Contact Person</u>	<u>Anticipated Completion Date</u>
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None

Compliance

None

Internal Control Over Financial Reporting

SUMMARY SCHEDULE OF PRIOR AGREED UPON PROCEDURES FINDINGS

VILLAGE OF MONTPELIER  
Montpelier, Louisiana

SUMMARY SCHEDULE OF PRIOR AGREED UPON PROCEDURES FINDINGS

For the Year Ended June 30, 1999

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Plan Corrective Action - Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
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Compliance  
None

Internal Control Over Financial Reporting  
None

LOUISIANA ATTESTATION QUESTIONNAIRE

**RESOLUTION**

**WHEREAS**, the Village of Montpelier as a part of its compilation of financial statements as of June 30, 1999, and for the one year period then ended, is required to complete the Louisiana Attestation Questionnaire furnished by the Louisiana Legislative Auditor, and,

**WHEREAS**, upon completion, the questionnaire must be presented to and adopted by the Board of Aldermen by means of a formal resolution in an open meeting, and,

**WHEREAS**, the completed questionnaire and a copy of its adoption must then be given to the accountant at the beginning of the attestation engagement. The accountant will, during the course of his attestation engagement, test the accuracy of the responses in the questionnaire,

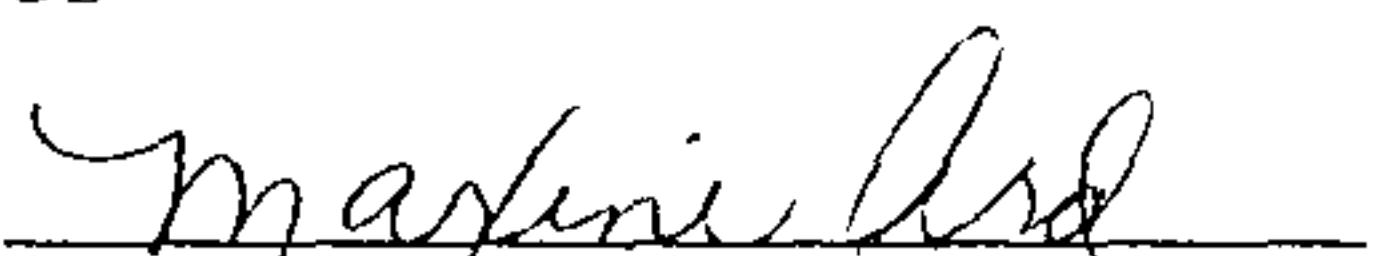
**WHEREAS**, this Louisiana Attestation Questionnaire was reviewed and all questions answered by the Board of Aldermen of the Village of Montpelier.


**THEREFORE BE IT RESOLVED** that the Village of Montpelier hereby adopts this resolution on July 12, 1999, by the following roll call vote:

**YEAS:** ~~Giardina~~, Davis, Ard

**NAYS:** None

**ABSENT:** Mayor Dykes

  
\_\_\_\_\_  
Maxine Ard, Assistant Clerk

  
\_\_\_\_\_  
Bryan E. Dykes, Mayor

LOUISIANA ATTESTATION QUESTIONNAIRE

7-12-99

(Date)

Durnin & James, CPA's  
P. O. Box 506  
Amite, Louisiana 70422

In connection with your compilation of our financial statements as of June 30, 1999, 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 regulations 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 7-12, 1999.

**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 a 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 39:34.

Yes [] No [ ]

**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 44:36.

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, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

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.

SIGNED:   
Bryan E. Dykes

SIGNED:   
Maxine Ard

TITLE: Mayor

TITLE: Assistant Clerk