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VILLAGE OF CHATAIGNIER, LOUISIANA

FINANCIAL REPORT

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 FEB 09 2000

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# **BROUSSARD, POCHE', LEWIS & BREAU, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

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Crowley, Louisiana  
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## INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Herman Malveaux, Mayor,  
and the Board of Aldermen  
Village of Chataignier, Louisiana

We have compiled the accompanying general-purpose financial statements of the Village of Chataignier, Louisiana, as of and for the year ended June 30, 1999, and the accompanying supplementary information, as listed in the table of contents, which is presented only for supplementary analysis purposes, 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 and supplementary information that is the representation of management of the Village of Chataignier, Louisiana. We have not audited or reviewed the accompanying general-purpose financial statements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Government Audit Guide and the provisions of state law, we have issued a report, dated December 23, 1999, on the results of our agreed-upon procedures.

*BROUSSARD, POCHE', LEWIS & BREAU, L.L.P.*

Crowley, Louisiana  
December 23, 1999

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Oplousas, LA  
(318) 942-5217

Abbeville, LA  
(318) 898-1497

New Iberia, LA  
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Church Point, LA  
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Eunice, LA  
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Scott J. Broussard, CPA\*

L. Charles Alshire, CPA\*

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Stephen L. Lamhousy, CPA\*

Craig C. Babineaux, CPA\*

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Michael P. Crochet, CPA\*

George J. Truppey III, CPA\*

David E. Gilder, CPA\*

Gregory B. Milton, CPA\*

S. Scott Soderow, CPA\*

Patrick D. McCarthy, CPA\*

Martha B. Wyatt, CPA\*

### Retired:

Sidney L. Broussard, CPA 1980

Leon K. Poche, CPA 1984

James H. Breau, CPA 1987

Ernie R. Walton, CPA 1988

George A. Lewis, CPA\* 1992

Geraldine J. Wimberly, CPA\* 1995

Rodney L. Savoy, CPA\* 1996

Larry G. Broussard, CPA\* 1996

Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants

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GENERAL-PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

VILLAGE OF CHATAIGNIER, LOUISIANA

COMBINED BALANCE SHEET -  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 June 30, 1999  
 See Accountant's Compilation Report

	<u>Governmental</u> <u>Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
<b>ASSETS AND OTHER DEBITS</b>		
Cash and cash equivalents	\$ 14,999	\$ -
Accounts receivable	-	-
Fixed assets (net of accumulated depreciation)	-	-
Amount to be provided for retirement of general long-term debt	<u>-</u>	<u>-</u>
Total assets and other debits	<u>\$ 14,999</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 10,445	\$ -
Customers' deposits	-	-
Current portion of long-term debt	-	-
Long-term debt	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 10,445</u>	<u>\$ -</u>
<b>FUND EQUITY</b>		
Contributed capital (net)	\$ -	\$ -
Investment in general fixed assets	-	-
Retained earnings (deficit):		
Unreserved	-	-
Fund balances:		
Unreserved-		
Undesignated	<u>4,554</u>	<u>-</u>
Total fund equity	<u>\$ 4,554</u>	<u>\$ -</u>
Total liabilities and fund equity	<u>\$ 14,999</u>	<u>\$ -</u>

See Notes to Financial Statements.

Proprietary Fund Type	Account Groups		
	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
Enterprise			
\$ 2,256	\$ -	\$ -	\$ 17,255
2,003	-	-	2,003
776,802	300,265	-	1,077,067
-	-	14,909	14,909
<u>\$ 781,061</u>	<u>\$ 300,265</u>	<u>\$ 14,909</u>	<u>\$1,111,234</u>
\$ -	\$ -	\$ -	\$ 10,445
770	-	-	770
2,252	-	2,311	4,563
<u>11,797</u>	<u>-</u>	<u>12,598</u>	<u>24,395</u>
<u>\$ 14,819</u>	<u>\$ -</u>	<u>\$ 14,909</u>	<u>\$ 40,173</u>
\$ 776,569	\$ -	\$ -	\$ 776,569
-	300,265	-	300,265
(10,327)	-	-	(10,327)
-	-	-	4,554
<u>\$ 766,242</u>	<u>\$ 300,265</u>	<u>\$ -</u>	<u>\$1,071,061</u>
<u>\$ 781,061</u>	<u>\$ 300,265</u>	<u>\$ 14,909</u>	<u>\$1,111,234</u>

## VILLAGE OF CHATAIGNIER, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENTAL FUND TYPESYear Ended June 30, 1999  
See Accountant's Compilation Report

	<u>General</u>	<u>Special Revenue</u>	<u>Total (Memorandum Only)</u>
Revenues:			
Taxes	\$ 22,023	\$ -	\$ 22,023
Licenses and permits	6,506	-	6,506
Intergovernmental	27,505	26,036	53,541
Fines and forfeitures	1,237	-	1,237
Interest	423	-	423
Miscellaneous	<u>5,547</u>	<u>-</u>	<u>5,547</u>
Total revenues	<u>\$ 63,241</u>	<u>\$ 26,036</u>	<u>\$ 89,277</u>
Expenditures:			
Current:			
General government	\$ 24,447	\$ -	\$ 24,447
Public safety	6,093	-	6,093
Public works	514	-	514
Culture and recreation	3,877	-	3,877
Capital outlay	24,997	26,036	51,033
Debt service:			
Principal retirement	2,540	-	2,540
Interest and fiscal charges	<u>1,280</u>	<u>-</u>	<u>1,280</u>
Total expenditures	<u>\$ 63,748</u>	<u>\$ 26,036</u>	<u>\$ 89,784</u>
Deficiency of revenues over expenditures	<u>\$ (507)</u>	<u>\$ -</u>	<u>\$ (507)</u>
Other financing sources (uses):			
Operating transfers in	\$ 480	\$ -	\$ 480
Operating transfers out	<u>(5,159)</u>	<u>-</u>	<u>(5,159)</u>
Total other financing sources (uses)	<u>\$ (4,679)</u>	<u>\$ -</u>	<u>\$ (4,679)</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	\$ (5,186)	\$ -	\$ (5,186)
Fund balances, beginning	<u>9,740</u>	<u>-</u>	<u>9,740</u>
Fund balances, ending	<u>\$ 4,554</u>	<u>\$ -</u>	<u>\$ 4,554</u>

See Notes to Financial Statements.

## VILLAGE OF CHATAIGNIER, LOUISIANA

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

Year Ended June 30, 1999

See Accountant's Compilation Report

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 15,700	\$ 22,023	\$ 6,323
Licenses and permits	7,800	6,506	(1,294)
Intergovernmental	4,000	27,505	23,505
Fines and forfeitures	5,200	1,237	(3,963)
Interest	475	423	(52)
Miscellaneous	<u>5,500</u>	<u>5,547</u>	<u>47</u>
Total revenues	<u>\$ 38,675</u>	<u>\$ 63,241</u>	<u>\$ 24,566</u>
Expenditures:			
Current:			
General government	\$ 16,640	\$ 24,447	\$ (7,807)
Public safety	5,139	6,093	(954)
Public works	600	514	86
Culture and recreation	1,120	3,877	(2,757)
Capital outlay	-	24,997	(24,997)
Debt service:			
Principal retirement	-	2,540	(2,540)
Interest and fiscal charges	<u>1,400</u>	<u>1,280</u>	<u>120</u>
Total expenditures	<u>\$ 24,899</u>	<u>\$ 63,748</u>	<u>\$ (38,849)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 13,776</u>	<u>\$ (507)</u>	<u>\$ (14,283)</u>
Other financing sources (uses):			
Operating transfers in	\$ -	\$ 480	\$ 480
Operating transfers out	<u>13,776</u>	<u>(5,159)</u>	<u>(5,159)</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (4,679)</u>	<u>\$ (4,679)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 13,776	\$ (5,186)	\$ (18,962)
Fund balances, beginning	<u>24,743</u>	<u>9,740</u>	<u>(15,003)</u>
Fund balances, ending	<u>\$ 38,519</u>	<u>\$ 4,554</u>	<u>\$ (33,965)</u>

See Notes to Financial Statements.

## VILLAGE OF CHATAIGNIER, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -  
 ALL PROPRIETARY FUND TYPES  
 Year Ended June 30, 1999  
 See Accountant's Compilation Report

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services	\$ <u>15,797</u>
Operating expenses:	
Personal services	\$ 6,300
Payroll taxes	482
Supplies and materials	3,606
Insurance	917
Depreciation	25,890
Utilities	3,977
Repairs and maintenance	964
Other services and charges	<u>970</u>
Total operating expenses	\$ <u>43,106</u>
Operating loss	\$ (27,309)
Nonoperating expenses:	
Interest expense	<u>1,517</u>
Loss before operating transfers	\$ <u>(28,826)</u>
Operating transfers in (out):	
Operating transfers in	\$ 5,159
Operating transfers out	<u>(480)</u>
Net operating transfers	\$ <u>4,679</u>
Net loss	\$ (24,147)
Add depreciation on fixed assets acquired by grants externally restricted for capital acquisitions and construction that reduces contributed capital	<u>25,890</u>
Increase in retained earnings	\$ 1,743
Retained earnings (deficit), beginning	<u>(12,070)</u>
Retained earnings (deficit), ending	<u>\$ (10,327)</u>

See Notes to Financial Statements.

VILLAGE OF CHATAIGNIER, LOUISIANA  
 COMBINED STATEMENT OF CASH FLOWS -  
 ALL PROPRIETARY FUND TYPES  
 Year Ended June 30, 1999  
 See Accountant's Compilation Report

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	\$(27,309)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	25,890
Change in liabilities:	
Increase in customer deposits	<u>261</u>
Net cash used by operating activities	<u>\$ (1,158)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating transfers from other funds	\$ 5,159
Operating transfers to other funds	<u>(480)</u>
Net cash provided by non capital financing activities	<u>\$ 4,679</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal paid on note payable	\$ (2,038)
Interest paid on note payable	<u>(1,517)</u>
Net cash used by capital and related financing activities	<u>\$ (3,555)</u>
Net decrease in cash and cash equivalents	\$ (34)
Cash and cash equivalents, beginning	<u>2,290</u>
Cash and cash equivalents, ending	<u><u>\$ 2,256</u></u>

See Notes to Financial Statements.

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FIANANCIAL STATEMETNS  
See Accountant's Compilation Report

Note 1. Summary of Significant Accounting Policies

The Village of Chataignier, Louisiana, (the Village) was incorporated on November 29, 1972. The Village operates under a Mayor-Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation, culture and recreation, public improvements, planning and zoning, and general administrative services. The general-purpose financial statements of the Village have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted stand and setting body for establishing governmental accounting and financial reporting principles. The accounting policies of the Village of Chataignier, Louisiana, conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Basis of presentation - fund accounting:

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund or account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, 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 restrictions, if any, on the spending activities. The various funds are summarized by type and grouped in the financial statements of this report as follows:

Governmental Funds

General Fund:

The general fund is the general operating fund of the Village and accounts for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the general fund.

Special Revenue Fund:

The special revenue fund is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FIANANCIAL STATEMETNS  
See Accountant's Compilation Report

Proprietary Fund

Enterprise Fund:

The enterprise fund is 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 purposes.

Proprietary funds are reported in accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the Village have elected not to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. 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.

General Fixed Assets Account Group:

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental funds. General fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized with general fixed assets. In accordance with generally accepted accounting principles, no provision is made for depreciation of such assets in the general fixed assets account group.

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FINANANCIAL STATEMETNS  
See Accountant's Compilation Report

All fixed assets are stated on the basis of historical cost. Assets acquired through gifts or donations are recorded at their estimated fair value at time of acquisition.

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

Disposal plant	40 Years
Collection system	40 Years
Machinery and equipment	5 Years

General Long-Term Debt Account Group:

Long-term debt and long-term liabilities expected to be financed with resources to be provided in future periods from governmental funds are accounted for in the general long-term debt account group, not in the governmental funds.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent 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.

Basis of accounting-measurement focus:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements; measurement focus refers to what is being measured. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The governmental funds use a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of "available spending resources." Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spending resources" during a period. The modified accrual basis of accounting is utilized by the governmental fund types. Their revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Taxpayer-assessed income,

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FIANANCIAL STATEMETNS  
See Accountant's Compilation Report

gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary 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, if measurable. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued because they do not vest or accumulate; and (2) principal and interest on general long-term debt which is recognized when due.

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of this fund are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Propriety fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The accrual basis of accounting is utilized by the propriety fund type. Under this basis of accounting revenues are recognized when earned and expenses are recognized when the related liability is incurred.

Budgets and budgetary accounting:

The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is then legally enacted through passage of an ordinance. Budgetary control is maintained at the individual fund level.
3. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen. All budget appropriations lapse at the end of the fiscal year.
4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Budgeted amounts are as originally adopted, or as amended by the Board of Aldermen. Expenditures may not legally exceed budgeted appropriations by more than five percent at the fund level.

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FIANANCIAL STATEMETNS  
See Accountant's Compilation Report

Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the Village.

Cash and cash equivalents:

For purposes of reporting, the Village considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

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 analysis. Data in these columns do not present financial position or results of operations 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.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Transactions between funds:

Legally authorized transfers are treated as operating transfers and are included in the results of operations.

Note 2. Property Taxes

The Village levies a tax of 4.42 mills per dollar of assessed valuation of property within its corporate limits for general corporate purposes. Taxes are levied in October and are due by December 31. Property taxes attach as an enforceable lien on property as of a January 1. The taxes are generally collected in December, January, and February. Property tax revenues are recognized when levied to the extent that they result in current receivables.

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FIANANCIAL STATEMETNS  
See Accountant's Compilation Report

Note 3. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance June 30, <u>1998</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>1999</u>
Land	\$ 22,464	\$ -	\$ -	\$ 22,464
Buildings and improvements	203,811	26,991	-	230,802
Machinery and equipment	<u>20,401</u>	<u>26,598</u>	-	<u>46,999</u>
Totals	<u>\$246,676</u>	<u>\$ 53,589</u>	<u>\$ -</u>	<u>\$300,265</u>

Note 4. Proprietary Fund Type Fixed Assets

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

Land	\$ 10,000
Disposal plant and collection system	1,035,584
Machinery and equipment	<u>5,236</u>
Total fixed assets	\$1,050,820
Less accumulated depreciation	<u>274,018</u>
Net fixed assets	<u>\$ 776,802</u>

Note 5. Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 1999:

	Enterprise Fund <u>Debt</u>	General Long-term <u>Debt</u>	<u>Total</u>
Balance, June 30, 1998	\$ 16,087	\$ 17,449	\$ 33,536
Additions	-	-	-
Retirements	<u>(2,038)</u>	<u>(2,540)</u>	<u>(4,578)</u>
Balance, June 30, 1999	<u>\$ 14,049</u>	<u>\$ 14,909</u>	<u>\$ 28,958</u>

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FIANANCIAL STATEMETNS  
See Accountant's Compilation Report

Long-term obligations at June 30, 1999, consist of the following:

\$25,030 Utility fund note payable, due in monthly installments of \$296 through July 1, 2004, at an interest rate of 10.00%	\$ 14,049
\$25,030 General long-term debt note payable, due in monthly installments of \$294 through August 1, 2004, at an interest rate of 7.25%	<u>14,909</u>
Total long-term obligations	<u>\$ 28,958</u>

The annual requirements to amortize all debt outstanding as of June 30, 1999, including interest payments of \$6,848 follows:

Year Ending <u>June 30,</u>	Utility Note <u>Payable</u>	General Long-Term <u>Debt</u>	<u>Total</u>
2000	\$ 3,555	\$ 3,233	\$ 6,788
2001	3,555	3,527	7,082
2002	3,555	3,527	7,082
2003	3,555	3,527	7,082
2004	3,555	3,527	7,082
Thereafter	<u>175</u>	<u>515</u>	<u>690</u>
Totals	<u>\$ 17,950</u>	<u>\$ 17,856</u>	<u>\$ 35,806</u>

Note 6. Dedication of Sales Tax Proceeds

The proceeds of the 2% sales and use tax are dedicated to the following purposes:

1. Defraying the cost of improving, maintaining, and operating the recreational facilities of the Village;
2. Defraying the cost of improving and maintaining the streets and thoroughfares of the Village;
3. Defraying the cost of improving, maintaining, and operating the drainage system of the Village;
4. Defraying the cost of operating the General Fund of the Village.

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FIANANCIAL STATEMETNS  
See Accountant's Compilation Report

Note 7. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include cash and demand deposits. The Village may invest in United States bonds, treasury notes or certificates, time certificates of deposit of state banks having their principle office in the State of Louisiana, or any other federally insured investment. The Village may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. The deposits at June 30, 1999 were secured as follows:

	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
Cash and cash equivalents	<u>\$ 17,234</u>	<u>\$ 17,234</u>	<u>\$ -</u>

Note 8. Deficit Retained Earnings

The Sewer Utility Fund has a deficit retained earnings of \$10,327 as of June 30, 1999. The Village intends to eliminate this deficit retained earnings through excess charges for services.

Note 9. Contributed Capital

Under National Council in Governmental Accounting Statement 2, grants, entitlements, or shared revenues restricted for the acquisition or construction of capital assets should be recorded as contributed equity. Depreciation recognized on assets acquired or constructed through such resources externally restricted for capital acquisitions may be closed to the appropriate contributed capital account and reported in the operating statement under operating expenses. If this option is followed, the net income (loss), adjusted by the amount of depreciation on fixed assets acquired or constructed through such resources externally restricted for this purpose, is closed to retained earnings and reported after net income (loss). The Village's contributed capital account consists of the following:

Louisiana Department of Public Works	\$ 206,838
Environmental Protection Agency	620,513
Department of Housing and Urban Development	<u>218,000</u>
Total contributed capital	\$1,045,351
Less: Accumulated depreciation on fixed assets acquired by grants above	<u>268,782</u>
Contributed capital as of June 30, 1999	<u>\$ 776,569</u>

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FIANANCIAL STATEMETNS  
See Accountant's Compilation Report

Note 10. Intergovernmental Grants

During the year ended June 30, 1999, the Village received \$36,862 from the U.S. Department of Agriculture and \$14,171 from the Louisiana Governor's Office of Rural Development in grant awards. As of June 30, 1999, the Village has received and expended all funds relating to these grant awards.

Note 11. Interfund Transfers

Interfund transfers during the year ended June 30, 1999, were as follows:

<u>Fund</u>	Operating Transfers <u>In</u>	Operating Transfers <u>Out</u>
General Fund	\$ 480	\$ 5,159
Enterprise Fund	<u>5,159</u>	<u>480</u>
Totals	<u>\$ 5,639</u>	<u>\$ 5,639</u>

Note 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 uses a manual accounting system. Management feels that the effects of the Year 2000 Issue on the financial operations of the Village will be minimal.

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, or that parties with whom the Village does business will be year 2000 ready.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets used in governmental fund type operations.

VILLAGE OF CHATAIGNIER, LOUISIANA  
GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
Year Ended June 30, 1999  
See Accountant's Compilation Report

	Balance, June 30, <u>1998</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>1999</u>
General fixed assets:				
Land	\$ 22,464	\$ -	\$ -	\$ 22,464
Buildings	203,811	26,991	-	230,802
Equipment	<u>20,401</u>	<u>26,598</u>	-	<u>46,999</u>
Total general fixed assets	<u>\$246,676</u>	<u>\$ 53,589</u>	<u>\$ -</u>	<u>\$300,265</u>
Investment in general fixed assets:				
General fund revenues	\$ 71,676	\$ 2,556	\$ -	\$ 74,232
Office of Rural Development	15,000	51,033	-	66,033
Donations	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>160,000</u>
Total investment in general fixed assets	<u>\$246,676</u>	<u>\$ 53,589</u>	<u>\$ -</u>	<u>\$300,265</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for general long-term debt and liabilities expected to be financed with resources to be provided in future periods from governmental funds.

VILLAGE OF CHATAIGNIER, LOUISIANA  
STATEMENT OF GENERAL LONG-TERM DEBT  
Year Ended June 30, 1999  
See Accountant's Compilation Report

AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE  
PAYMENT OF GENERAL LONG-TERM DEBT

Amount to be provided from:  
Excess revenues

\$ 14,909

GENERAL LONG-TERM DEBT PAYABLE

Note payable

\$ 14,909

## VILLAGE OF CHATAIGNIER, LOUISIANA

## SCHEDULE OF COMPENSATION PAID TO ELECTED OFFICIALS

Year Ended June 30, 1999

See Accountant's Compilation Report

Herman Malveaux, Mayor	\$ 3,000
Alton Thomas, Jr.	600
Mary Soileau	600
Daniel Brasseaux	<u>600</u>
Total	<u>\$ 4,800</u>

The schedule of compensation paid to elected officials was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature. The Aldermen receive compensation of \$50 per month, and the Mayor receives \$250 per month.

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## **BROUSSARD, POCHE', LEWIS & BREAU, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.  
P.O. Drawer 307  
Crowley, Louisiana  
70527-0307  
phone: (318) 783-0650  
fax: (318) 783-7238

### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Herman Malveaux, Mayor,  
and the Board of Aldermen  
Village of Chataignier, Louisiana

Lafayette, LA  
(318) 988-4930

Opelousas, LA  
(318) 942-5217

Abbeville, LA  
(318) 898-1497

New Iberia, LA  
(318) 364-4554

Church Point, LA  
(318) 684-2855

Eunice, LA  
(318) 457-0071

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Chataignier, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Chataignier, 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.

Lawrence A. Cramer, CPA\*  
Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert Lemone B, CPA\*  
Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
Kenneth R. Dugas, CPA\*  
P. John Blanchet III, CPA\*  
Stephen L. Lambousy, CPA\*  
Craig C. Babineaux, CPA\*  
Peter C. Borrello, CPA\*  
Michael P. Crochet, CPA\*  
George J. Trappey III, CPA\*  
Daniel E. Gilder, CPA\*  
Gregory B. Milton, CPA\*  
S. Scott Suleau, CPA\*  
Patrick D. McCarthy, CPA\*  
Martha B. Wyatt, CPA\*

#### **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).

Two expenditures were made during the year for materials and supplies exceeding \$15,000. We examined documentation which indicated that these expenditures had been properly advertised and accepted in accordance with the provisions of LSA-RS 38:2211-2251.

#### **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.

*Retired:*  
Sidney L. Broussard, CPA 1980  
Leon K. Poche, CPA 1984  
James B. Breau, CPA 1987  
Erna R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberly, CPA\* 1995  
Rodney E. Savoy, CPA\* 1996  
Lerry G. Broussard, CPA\* 1996

*Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants*

The Honorable Herman Malveaux, Mayor,  
and the Board of Aldermen  
Village of Chataignier, Louisiana

Management provided us 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 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. Obtained 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 a meeting held on June 29, 1998, which indicated that the budget had been adopted by the Board of Aldermen of the Village of Chataignier, Louisiana.

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

We compared the revenues and expenditures of the budget to actual revenues and expenditures. Actual revenues and expenditures for the year did exceed budget 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.

The Honorable Herman Malveaux, Mayor,  
and the Board of Aldermen  
Village of Chataignier, Louisiana

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

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 Village Clerk.

#### **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 Chataignier, Louisiana, is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building; the Village made proper notice of each meeting and posted the 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 approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

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.

The Honorable Herman Malveaux, Mayor,  
and the Board of Aldermen  
Village of Chataignier, Louisiana

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

*BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.*

Crowley, Louisiana  
December 23, 1999

**LOUISIANA ATTESTATION QUESTIONNAIRE**

December 30, 1999 Date

Broussard, Poche, Lewis & Breaux, L.L.P.  
Certified Public Accountants  
P.O. Drawer 307  
Crowley, Louisiana 70527-0307 (Auditors)

In connection with your compilation of our financial statements as of [date] and for the year 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 (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 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..

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.

\_\_\_\_\_ Secretary \_\_\_\_\_ Date

\_\_\_\_\_ Treasurer \_\_\_\_\_ Date

*Herman Malveau* \_\_\_\_\_ President 8-16-99 Date

VILLAGE OF CHATAIGNIER, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 1999

Section I Internal Control and Compliance Material to the Financial Statements

1998-1	The budget was not adopted prior to the end of the fiscal year in progress.	Resolved Management will make efforts to insure future budgets are adopted in a timely fashion. The budget for fiscal year 1999 was adopted prior to the start of the year.
1998-2	Actual revenues and expenditures for the year exceeded budgeted amounts by more than 5%.	Unresolved Management will endeavor to monitor the budget and present amendments to the Board as deemed necessary. See current finding 1999-1.
1998-3	The Village did not file the annual report within six months of year-end.	Resolved The Village has identified procedures which will insure that future reports will be filed within six months.

Section II Internal Control and Compliance Material to Federal Awards

None

Section III Management Letter

None

VILLAGE OF CHATAIGNIER, LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION PLAN  
For the Year Ended June 30, 1999

Section I Internal Control and Compliance Material to the Financial Statements

1999-1	The Village's actual revenues and expenditures exceeded budget by more than 5%.	Management will endeavor to monitor the budget more closely and will present budget amendments to the Board of Aldermen for adoption when necessary.
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Responsible Party: Mayor Herman Malveaux