

**VILLAGE OF MONTPELIER
MONTPELIER, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022



**Hebert Johnson
& Associates, Inc.**
Certified Public Accountants

A Professional Accounting Corporation

Village of Montpelier, Louisiana
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A PROFESSIONAL ACCOUNTING CORPORATION

The Honorable Kenneth Giardina, Mayor
and Members of the Board of Aldermen
Village of Montpelier, Louisiana

Independent Accountant's Review Report

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Village of Montpelier, a component unit of the St. Helena Parish government, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Montpelier's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Village of Montpelier and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The accompanying schedule of compensation paid to board members and schedule of compensation, benefits, and other payments made to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 27 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context.

Respectfully submitted,

Chris Johnson

Hebert Johnson & Associates, Inc.
A professional Accounting Corporation
Albany, Louisiana
December 12, 2022

Basic Financial Statements

Village of Montpelier, Louisiana
Statement of Net Position
June 30, 2022

Exhibit A

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 246,402	\$ 54,610	\$ 301,012
Investments	-	90,000	90,000
Accounts Receivables, Net	-	2,683	2,683
Restricted Assets:			
Cash	-	20,571	20,571
Investments	-	8,000	8,000
Land	43,200	200	43,400
Capital Assets, Net	342,419	258,131	600,550
 Total Assets	 632,021	 434,195	 1,066,216
Liabilities			
Accounts Payable	1,805	4,315	6,120
Payroll Liabilities Payable	1,594	92	1,686
Payable from Restricted Assets:			
Customer Deposits	-	17,347	17,347
Total Liabilities	3,399	21,754	25,153
Net Position			
Net Investment in Capital Assets	385,619	258,331	643,950
Restricted Net Position	-	11,224	11,224
Unrestricted Net Position	243,003	142,886	385,889
 Total Net Position	 \$ 628,622	 \$ 412,441	 \$ 1,041,063

See accompanying notes and independent accountant's review report.

Village of Montpelier, Louisiana
Statement of Activities
For the Year Ended June 30, 2022

Exhibit B

	Governmental Activities	Business-Type Activities	Total
Expenses:			
Governmental Activities:			
General Government	\$ 56,015	\$ -	\$ 56,015
Public Safety - Police	12,064	-	12,064
Business-Type Activities:			
Gas System	-	81,853	81,853
Water System	-	32,607	32,607
Depreciation	14,011	12,997	27,008
Total Expenses	82,090	127,457	209,547
 Program Revenues:			
Charges for Services	41,812	106,426	148,238
Capital Grants	-	47,150	47,150
Total Program Revenues	41,812	153,576	195,388
Net Program (Expense) / Revenue	(40,278)	26,119	(14,159)
 General Revenues			
Taxes, Licenses, and Permits	64,427	-	64,427
Interest Income	1,067	394	1,461
Grant Revenue	57,566	-	57,566
Other Income	479	-	479
Interfund Transfers	(3,022)	3,022	-
Total Revenues	120,517	3,416	123,933
Change in Net Position	80,239	29,535	109,774
Total Net Position, Beginning	571,430	382,906	954,336
Prior Period Adjustment (Note 14)	(23,047)	-	(23,047)
Total Adjusted Net Position, Beginning	548,383	382,906	931,289
Net Position - End of the Year	\$ 628,622	\$ 412,441	\$ 1,041,063

See accompanying notes and independent accountant's review report.

Village of Montpelier, Louisiana
Governmental Fund – Balance Sheet
June 30, 2022

Exhibit C

	<u>General Fund</u>
Assets	
Cash and Cash Equivalents	\$ 246,402
Accounts Receivable, Net	<u>-</u>
Total Assets	<u>\$ 246,402</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts Payable	\$ 1,805
Payroll Liabilities Payable	<u>1,594</u>
Total Liabilities	3,399
Fund Balance:	
Unassigned	<u>243,003</u>
Total Fund Balances	<u>243,003</u>
Total Liabilities and Fund Balance	<u>\$ 246,402</u>

See accompanying notes and independent accountant's review report.

Village of Montpelier, Louisiana
Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2022

Exhibit D

Total Fund Balances, Governmental Fund (Exhibit C)	\$	243,003
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Governmental Capital Assets, Net of Depreciation		<u>385,619</u>
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Net Position of Governmental Activities (Exhibit A)	\$	<u>628,622</u>
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See accompanying notes and independent accountant's review report.

Village of Montpelier, Louisiana
Statement of Revenues, Expenses, and Changes in
Fund Balance – Governmental Fund
For the Year Ended June 30, 2022

Exhibit E

	<u>General Fund</u>
Revenues:	
Taxes, Licenses, and Permits	\$ 64,427
Interest Income	1,067
Grant Revenue	57,566
Other Income	479
Police Fines	41,812
Total Revenues	165,351
 Expenses:	
General Government	56,015
Public Safety - Police	12,064
Total Expenditures	68,079
Excess of Revenues over Expenditures	97,272
 Other Financing Sources (Uses):	
Operating Transfers In	6,978
Operating Transfers Out	(10,000)
Total Other Financing Sources (Uses)	(3,022)
Excess of Revenues and Other Sources over Expenses and Other Uses	94,250
Fund Balance - Beginning of the Year	148,753
Fund Balance - End of the Year	\$ 243,003

See accompanying notes and independent accountant's review report.

Village of Montpelier, Louisiana
Reconciliation of the Statement of Revenues, Expenses, and Changes in
Fund Balance to the Government-Wide Statement of Activities
For the Year Ended June 30, 2022

Exhibit F

Net Change in Fund Balances, Governmental Funds (Exhibit E) \$ 94,250

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenses. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay	-
Depreciation Expense	<u>(14,011)</u>

Change in Net Position of Governmental Activities (Exhibit B) \$ 80,239

See accompanying notes and independent accountant's review report.

Village of Montpelier, Louisiana
Statement of Net Position – Proprietary Funds
June 30, 2022

Exhibit G

	Gas Fund	Water Fund	Total
Assets			
Cash	\$ 17,767	\$ 36,843	\$ 54,610
Investments	80,000	10,000	90,000
Accounts Receivables, Net	1,261	1,422	2,683
Restricted Assets:			
Cash	14,498	6,073	20,571
Investments	6,000	2,000	8,000
Capital Assets, Net of Accumulated Depreciation	33,955	224,376	258,331
Total Assets	\$ 153,481	\$ 280,714	\$ 434,195
Liabilities and Net Position			
Liabilities:			
Accounts Payable	\$ 2,446	\$ 1,869	\$ 4,315
Payroll Taxes Payable	43	49	92
Payable from Restricted Assets:			
Customer Deposits	12,777	4,570	17,347
Total Liabilities	15,266	6,488	21,754
Net Position:			
Net Investment in Capital Assets	33,955	224,376	258,331
Restricted for Customer Meter Deposits	7,721	3,503	11,224
Unrestricted	96,539	46,347	142,886
Total Net Position	138,215	274,226	412,441
Total Liabilities and Net Position	\$ 153,481	\$ 280,714	\$ 434,195

See accompanying notes and independent accountant's review report.

Village of Montpelier, Louisiana
Statement of Revenues, Expenses, and Change in Net Position – Proprietary Funds
For the Year Ended June 30, 2022

Exhibit H

	Gas Fund	Water Fund	Total
Operating Revenues:			
Sales	\$ 73,233	\$ 33,193	\$ 106,426
Total Operating Revenues	73,233	33,193	106,426
Operating Expenses:			
Gas Purchases	33,858	-	33,858
Salaries and Related Benefits	2,373	2,676	5,049
Contract Labor	16,631	600	17,231
Repairs and Maintenance	14,202	6,137	20,339
Insurance	7,939	9,709	17,648
Office Expense	1,321	418	1,739
Utilities	903	10,607	11,510
Miscellaneous Expense	4,626	2,460	7,086
Bad Debt Expense	-	-	-
Depreciation	4,801	8,196	12,997
Total Operating Expenses	86,654	40,803	127,457
Net Operating Income (Loss)	(13,421)	(7,610)	(21,031)
Nonoperating Revenues / (Expenses):			
Interest Income	155	239	394
Operating Transfers In	10,000	-	10,000
Operating Transfers Out	(3,518)	(3,460)	(6,978)
Total Nonoperating Revenues / (Expenses)	6,637	(3,221)	3,416
Income (Loss) Before Capital Contributions	(6,784)	(10,831)	(17,615)
Capital Contributions			
Capital Grants	-	47,150	394
Change in Net Position	(6,784)	36,319	(17,221)
Net Position - Beginning of the Year	144,999	237,907	382,906
Net Position - End of the Year	\$ 138,215	\$ 274,226	\$ 412,441

See accompanying notes and independent accountant's review report.

Village of Montpelier, Louisiana
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2022

Exhibit I

	Gas Fund	Water Fund	Total
Cash Flows from Operating Activities:			
Received from Customers	\$ 71,670	\$ 31,561	\$ 103,231
Received for Customer Deposit Fees	1,131	(70)	1,061
Payments for Operations	(78,078)	(29,518)	(107,596)
Payments to Employees	(2,422)	(2,730)	(5,152)
Net Cash Used by Operating Activities	(7,699)	(756)	(8,455)
Cash Flows from Noncapital Financing Activities:			
Transfers (to) from Other Funds	6,482	(3,460)	3,022
Net Cash Provided / (Used) by Noncapital Financing Acti	6,482	(3,460)	3,022
Cash Flows from Capital and Related Financing Activities:			
Construction of Capital Assets	(4,606)	(62,200)	(66,806)
Capital Grants Received	-	47,150	47,150
Net Cash Used by Capital and Related Financing Activities	(4,606)	(15,050)	(19,656)
Cash Flows from Investing Activities:			
Interest Earned on Investments	155	237	392
Net Cash Provided by Investing Activities	155	237	392
Net Increase (Decrease) in Cash	(5,668)	(19,029)	(24,697)
Cash - Beginning of the Year	123,933	73,945	189,919
Cash - End of the Year	\$ 118,265	\$ 54,916	\$ 173,181
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position			
Cash and Investments, Unrestricted	97,767	46,843	144,610
Cash and Investments, Restricted	20,498	8,073	28,571
Total Cash and Investments	118,265	54,916	173,181

See accompanying notes and independent accountant's review report.

Village of Montpelier, Louisiana
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2022

Exhibit I

	Gas Fund	Water Fund	Total
Reconciliation of operating loss to net cash used by operating activities:			
Operating Income / (Loss)	\$ (13,421)	\$ (7,610)	\$ (21,031)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:			
Depreciation	4,801	8,196	12,997
Changes in Assets and Liabilities:			
(Increase) / Decrease in:			
Accounts Receivable	(1,563)	(1,763)	(3,326)
Increase / (Decrease) in:			
Accounts Payable	1,402	544	1,946
Payroll Taxes Payable	(49)	(54)	(103)
Customer Deposits Payable	1,131	(70)	1,061
Net Cash Used by Operating Activities	\$ (7,699)	\$ (756)	\$ (8,455)

See accompanying notes and independent accountant's review report.

Village of Montpelier, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

Introduction

The Village of Montpelier, Louisiana (hereinafter referred to as the "Village") was created under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of Government. The purpose of the Village is to provide public safety (police and fire), streets, drainage, public improvements, and general and administrative services. Other services include water and gas services. Revenues for the Village include taxes, licenses, and permits, interest income, and other revenues. Major expenditures of the Village include general government and public safety.

The accounting and reporting policies of the Village conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute (LRS) 24:513 and to the guidance set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*. Management has elected to not present the Management's Discussion and Analysis.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

GASB Statement No. 61 established criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provision of this statement, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 61, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Since the Village has no component units, these financial statements include only information on the primary government.

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net position (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Village has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, which requires capital contributions to the Village to be presented as a change in net position.

Village of Montpelier, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when cash is received by the government.

The Village reports the following major governmental fund:

The *General Fund* is the general operating fund of the Village. This fund is used to account for and report all financial transactions and resources except for those required to be accounted for in another fund. Revenues are derived primarily from local taxes, licenses, permits, charges for services, and interest income.

The activities reported in this fund are reported as governmental activities in the government-wide financial statements.

The Village reports the following major proprietary funds:

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 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, and other purposes. The Village's Water Fund and Gas Fund account for the operations of providing water services and gas services, respectively.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Village of Montpelier, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user charges for the services provided by the enterprise funds. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Budgets and Budgetary Accounting

Budgetary procedures applicable to the Village are defined in state law, R.S. 39:1301-15. The major requirements of the Local Government Budget Act are summarized as follows:

1. The Village adopts a budget each year for the general fund.
2. The Mayor prepares a proposed budget and submits it to the Board of Alderman for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal. The proposed expenditures were less than \$500,000; therefore, a public hearing was not adopted.
3. All actions necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on June 14, 2021.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Alderman. The budget was amended on June 13, 2022.
5. Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting. Budgeted amounts included in the accompanying financial statements include the revised adopted budget amounts. The amounts are reconciled to the amounts reflected on the budget comparison statement on Schedule 1.

D. Cash, Cash Equivalents, and Investments

The Village's cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the Village may also 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 fair value using published market values.

Village of Montpelier, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

E. Pension Plans

The Village is not a member of any retirement system. The employees of the Village are members of the Social Security system.

F. Restricted Assets

Cash held for customer's meter deposits is set aside in separate cash accounts and classified as a restricted asset on the balance sheet.

G. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the Village's capitalization threshold are met. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively to 1980. Although an exception exists for local governments with annual revenues of less than \$10 million, the Village has elected to report its infrastructure retroactively. Interest incurred during construction is capitalized on a government-wide basis. Interest attributable to capitalized assets as of June 30, 2022, was immaterial.

Capital outlays of the proprietary funds are recorded as fixed assets and depreciated over their estimated useful lives on a straight-line basis on both the fund basis and the government-wide basis. All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Infrastructure is capitalized by estimate using current replacement cost for a similar asset and deflating this cost using price indices to the acquisition year.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives	
Infrastructure	40	Years
Vehicles	5 - 15	Years
Building Remodeling	20 - 40	Years
Furniture & Equipment	5 - 10	Years
Machinery & Equipment	5 - 25	Years

Village of Montpelier, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

H. Net Position / Fund Balance

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- Net Investment in Capital Assets – This component of net position includes historical costs of capital assets, including any restricted capital assets, net of accumulated depreciation, reduced by the outstanding balance of any bonds, or indebtedness attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds.
- Restricted Net Position – The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- Unrestricted Net Position – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund statements, governmental fund equity is classified as fund balance. As such, fund balances of governmental funds are classified as follows:

- Nonspendable – These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed – These are amounts that can be used only for specific purposes determined by a formal decision of the Board, which is the highest level of decision-making authority for the Village.
- Assigned – These are amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes.
- Unassigned – These are all other spendable amounts.

Village of Montpelier, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

The Village's policy is to apply expenditures against nonspendable fund balances, restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, in that order, at the end of the fiscal year by adjusting journal entries.

As of June 30, 2022, the Village did not have any nonspendable, restricted, committed, or assigned fund balances.

I. Sales Taxes

Sales taxes are collected by the St. Helena Parish Sheriff's Office and remitted to the Village in the month following receipt by the Sheriff. The 1% sales tax passed by the voters on April 21, 2012 is to be used for supporting the general fund of the Village. There is no expiration date on this sales tax.

J. Interfund Transactions

Permanent re-allocation of resources between funds of the reporting entity is classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

K. Estimates

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

L. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Stewardships, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. All annual appropriations lapse at year-end. See Note 1 for the procedures the Village follows regarding budgets and budgetary accounting. The Village complied with the Local Budget Act in adopting and amending its budget for the year ended June 30, 2022.

The Village uses the cash basis of accounting to report actual inflows and outflows. The reconciliation below shows how the cash basis differs from GAAP.

Village of Montpelier, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

Excess of Revenues and Other Sources over Expenses and Other Uses (Exhibit E)	\$	94,250
Add: Current Year Accounts Payable		1,805
Current Year Payroll Liabilities		1,594
Less: Prior Year Accounts Payable		(1,367)
Prior Year Payroll Liabilities		(630)
 Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	 <u>\$</u>	 <u>95,652</u>

B. Deposits, Investment Laws, and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3, regarding cash and cash equivalents, the Village was in compliance with the deposit and investment laws and regulations.

C. Deficit Fund Equity

As of June 30, 2022, no Village funds had deficit fund balances.

3. Cash and Cash Equivalents

As reflected on Statement A, the Village has cash totaling \$321,583 (of which \$20,571 is restricted) and investments totaling \$98,000 (of which \$8,000 are restricted) at June 30, 2022. 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 pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal deposit insurance must always equal the amount on deposit with the bank. These pledged 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, 2022, the Village had \$427,805 in deposits (collected bank balances) including certificates of deposits of \$98,000. \$348,000 of deposits are secured from risk by federal deposit insurance and an additional \$56,131 of deposits are uninsured but collateralized with securities held by the custodial bank in the name of the fiscal agent bank. \$23,976 of Village deposits are uninsured and uncollateralized as of June 30, 2022.

Even though the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand. Deposits collateralized by pledged securities are considered exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposits policy for custodial risk. As of June 30, 2022, the Village was not in compliance with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

Village of Montpelier, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

4. Investments

Investments are categorized into these three categories of credit risk:

- A. Insured or registered, or securities held by the Village or its agent in the Village's name
- B. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name
- C. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Village's name

All investments held by the Village fall into category 1 credit risk, defined as "insured or registered, or securities held by the Village or its agent in the Village's name." In accordance with GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

At June 30, 2022, the Village's investment balances consisted of \$98,000 of certificates of deposit held at First Guaranty Bank. All investments are stated on the balance sheet (carrying value) at market value. All investments are in the name of the Village and are held at the Village's office. Because these investments are in the name of the Village and are held by the Village or the Village's agent, the investments are considered insured and registered. Category (1), in applying the credit risk of GASB Codification Section 150.164.

Interest Rate Risk: The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

5. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. Major receivables balances for the governmental activities include sales taxes, ad valorem taxes, and intergovernmental. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise taxes, occupational licenses, fines, and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions, collectible but not available, are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within 30 days since they would be considered both measurable and available. Proprietary fund revenues consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

Receivables at June 30, 2022 consist of the following:

Village of Montpelier, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

	General	Proprietary Funds		Total
	Fund	Gas	Water	
Utility Receivable	\$ -	\$ 3,039	\$ 3,427	\$ 6,466
Less: Allowance for Doubtful Accounts	-	(1,778)	(2,005)	(3,783)
Utility Receivable, Net	<u>\$ -</u>	<u>\$ 1,261</u>	<u>\$ 1,422</u>	<u>\$ 2,683</u>

6. Interfund Receivables / Payables

There were no interfund receivables or payable outstanding for the Village's fund financial statements at June 30, 2022.

7. Restricted Assets

Restricted assets for the Enterprise Funds at June 30, 2022 were as follows:

	<u>Gas Fund</u>	<u>Water Fund</u>	<u>Total</u>
Restricted Cash and Cash Equivalents:			
Customer Deposits	\$ 14,498	\$ 6,073	\$ 20,571
Total Restricted Assets	<u>\$ 14,498</u>	<u>\$ 6,073</u>	<u>\$ 20,571</u>

Village of Montpelier, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

8. Capital Assets

The following is a summary of changes in capital assets for governmental activities for the year ended June 30, 2022:

	<u>Balance 06/30/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/22</u>
Governmental Activities Capital Assets:				
Capital Assets Not Depreciated:				
Land	\$ 43,200	\$ -	\$ -	\$ 43,200
Total Capital Assets Not Depreciated	43,200	-	-	43,200
Capital Assets:				
Infrastructure	120,607	-	-	120,607
Vehicles	91,370	-	-	91,370
Building Improvements	301,789	-	-	301,789
Office Furniture & Equipment	65,122	-	-	65,122
Total Capital Assets	578,888	-	-	578,888
Less Accumulated Depreciation:				
Infrastructure	25,449	3,021	-	28,470
Vehicles	91,370	-	-	91,370
Building Improvements	48,402	8,172	-	56,574
Office Furniture & Equipment	57,237	2,818	-	60,055
Total Accumulated Depreciation	222,458	14,011	-	236,469
Total Government Capital Assets, Net	\$ 399,630	\$ (14,011)	\$ -	\$ 385,619

Capital assets and depreciation activity as of and for the year ended June 30, 2022 for business-type activities is as follows:

	<u>Balance 06/30/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/22</u>
Business-Type Activities Capital Assets:				
Capital Assets Not Depreciated:				
Land	\$ 200	\$ -	\$ -	\$ 200
Total Capital Assets Not Depreciated	200	-	-	200
Capital Assets:				
Machinery & Equipment:				
Gas	411,632	4,606	-	416,238
Water	366,360	62,200	-	428,560
Total Capital Assets	777,992	66,806	-	844,998
Less: Accumulated Depreciation				
Machinery & Equipment:				
Gas	377,482	4,801	-	382,283
Water	196,188	8,196	-	204,384
Total Accumulated Depreciation	573,670	12,997	-	586,667
Total Business-Type Capital Assets, Net	\$ 204,522	\$ 53,809	\$ -	\$ 258,331

Village of Montpelier, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

9. Accounts, Salaries, and Other Payables

The current payables at June 30, 2022 were as follows:

	<u>General Fund</u>	<u>Gas Fund</u>	<u>Water Fund</u>	<u>Total</u>
Current Payables				
Accounts Payable	\$ 1,806	\$ 2,446	\$ 1,869	\$ 6,121
Other Payables	1,594	43	49	1,686
Total Current Payables	<u>\$ 3,400</u>	<u>\$ 2,489</u>	<u>\$ 1,918</u>	<u>\$ 7,807</u>

10. Fund Balances / Net Position

At June 30, 2022, the Gas Fund had restricted net position of \$7,721 representing the Village's funds restricted for customers for meter deposits, net of the related liability.

At June 30, 2022, the proprietary fund had restricted net position of \$3,503, representing the Village's funds restricted for customers for meter deposits, net of the related liability.

11. Interfund Transfers

Operating transfers between funds consist primarily of monies transferred between the general fund and proprietary funds to cover payroll expenditures. Interfund transfers were as follows for the year ended June 30, 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Gas and Water Funds	\$ 6,978	\$ 10,000
Business-Type Activities		
Gas Fund	10,000	3,518
Water Fund	-	3,460
Total All Funds	<u>\$ 16,978</u>	<u>\$ 16,978</u>

12. Risk Management

The Village is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Village purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Village's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

13. Contingent Liabilities

At June 30, 2022, the Village was not involved in any outstanding litigation or claims.

Village of Montpelier, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2022

14. Prior Period Adjustment

Assets had been retired in prior years, that were still on the depreciation schedule. This resulted in losses on the disposal of such assets and is recognized as a prior period adjustment.

<u>Governmental Activities</u>	<u>2022</u>
Beginning Net Position Before Prior Period Adjustments	\$ 571,430
Loss on Fixed Assets	(23,047)
Beginning Net Position After Prior Period Adjustments	<u>\$ 548,383</u>

15. Major Supplier

The Village purchases approximately 98% of its gas through the Louisiana Municipal Gas Authority (LMGA). A change in suppliers could have a negative impact on the cost and terms currently obtained through the LMGA.

16. Subsequent Events

Management has evaluated subsequent events through December 12, 2022, the date the financial statements were available to be issued. No events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2022.

Required Supplemental Information:

Budgetary Comparison Schedule

Village of Montpelier, Louisiana
 Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual – General Fund
 For the Year Ended June 30, 2022

Schedule 1

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Final Budget Variance - Favorable / (Unfavorable)
Revenues:				
Taxes, Licenses, and Permits	\$ 61,500	\$ 56,250	\$ 64,427	\$ 8,177
Interest Income	1,750	750	1,086	336
Grant Revenue	-	44,567	57,566	12,999
Other Income	-	475	477	2
Police Fines	4,000	3,500	41,812	38,312
Total Revenues	<u>67,250</u>	<u>105,542</u>	<u>165,368</u>	<u>59,826</u>
Expenditures:				
Advertising	500	500	552	(52)
Automobile - Police	2,500	2,000	2,563	(563)
Capital Outlay	-	-	-	-
Fees	5,500	4,500	4,015	485
Insurance	5,000	8,500	6,504	1,996
Legal & Accounting	8,000	8,000	6,319	1,681
Maintenance & Repairs	7,600	11,350	8,132	3,218
Miscellaneous	3,050	3,500	4,413	(913)
Office	1,100	1,950	2,214	(264)
Salaries and Payroll Tax Expenses	18,200	27,200	18,776	8,424
Phone & Utilities	12,500	12,500	12,196	304
Travel & Training	1,600	850	993	(143)
Total Expenditures	<u>65,550</u>	<u>80,850</u>	<u>66,677</u>	<u>14,173</u>
Excess (Deficiency) of Revenues over Expenditures	1,700	24,692	98,691	73,999
Other Financing Sources (Uses):				
Operating Transfers In	-	-	6,961	6,961
Operating Transfers Out	-	-	(10,000)	(10,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,039)</u>	<u>(3,039)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	1,700	24,692	95,652	70,960
Cash - Beginning of the Year	<u>147,073</u>	<u>150,750</u>	<u>150,750</u>	<u>-</u>
Cash - End of the Year	<u>\$ 148,773</u>	<u>\$ 175,442</u>	<u>\$ 246,402</u>	<u>\$ 70,960</u>

See independent accountant's review report.

Other Supplemental Information

Village of Montpelier, Louisiana
 Schedule of Compensation, Benefits, and Other Payments to Agency Head
 For the Year Ended June 30, 2022

Schedule 2

Agency Head: Kenneth G. Giardina, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - Health Insurance	-
Benefits - Other Insurance	-
Benefits - Retirement	-
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ -</u>

See independent accountant's review report.

Village of Montpelier, Louisiana
Schedule of Justice System Funding – Collecting / Disbursing Entity
For the Year Ended June 30, 2022

Schedule 3

	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>6/30/2022</u>
Cash Basis Presentation		
Beginning Balance of Amounts Collected (I.e. cash on hand)	\$ 34	\$ 26
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	1,187	40,624
	<u>1,187</u>	<u>40,624</u>
Subtotal Collections	<u>1,187</u>	<u>40,624</u>
Less: Disbursements to Governments & Nonprofits:		
Treasury State of Louisiana CMIS	10	135
DHH Traumatic Head & Spinal Cord Injury Trust	40	675
Judicial Administration, Supreme Court of LA	4	68
Louisiana Commission on Law Enforcement	12	265
Less: Amount Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Amounts "Self-Disbursed" to Collecting Agency - Other	1,129	38,509
Less: Disbursements to Individual /3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individual (additional detail is not required)	-	-
Other Disbursements to Individual (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
	<u>-</u>	<u>-</u>
Subtotal Disbursements/Retainage	<u>1,195</u>	<u>39,652</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ 26</u>	<u>\$ 998</u>

See independent accountant's review report.

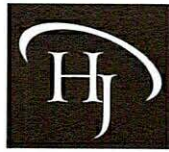
CHARLES P. HEBERT, CPA

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Society of Louisiana Certified Public Accountants



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A PROFESSIONAL ACCOUNTING CORPORATION

Independent Accountant's Report on Applying Agreed-Upon Procedures

The Honorable Kenneth Giardina, Mayor
and Members of the Board of Aldermen
and the Louisiana Legislative Auditor
Village of Montpelier, Louisiana

We have performed the procedures enumerated below on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2022, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village's management is responsible for its financial records and compliance with applicable laws and regulations.

The Village has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Village's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June, 2022. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code); R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

The Village did not purchase any supplies in excess of \$30,000 or public works in excess of \$250,000 during the year.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list provided by management for agreed-upon Procedure 3 appeared on the list provided by management for agreed-upon Procedure 2.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

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

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

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

I traced the adoption of the original budget to a meeting held on December 15, 2020. The budget was amended on December 28, 2021.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues were above budgeted amounts, actual expenditures were less than budgeted expenditures.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

All disbursements agree to the amount in the supporting documentation. One check did not agree to the payee, but the vendor cashed the check. The check was written to the Louisiana Municipal Gas Association, but should have been written to Louisiana Municipal Risk Management Association. Both agencies fall under the Louisiana Municipal Association. All six disbursements were coded to the correct general ledger account. All six disbursements were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management provided us with the Notice of Public Meeting for the meeting on February 14, 2022. This is in compliance with the open meetings law.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

I examined all bank deposit slips for the fiscal year and identified no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

Reviewed minutes and also the general ledger and did not identify any payments that constituted bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Village's report will be timely submitted.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The Village did not enter into any contracts that utilized state funds and/or were subject to public bid law.

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

No prior year suggestions, exceptions, or recommendations.

We were engaged by the Village to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Respectfully submitted,

Chris Johnson

Hebert Johnson & Associates, Inc.
A professional Accounting Corporation
Albany, Louisiana
December 12, 2022

Village of Montpelier, Louisiana
Schedule of Current Year Findings, Recommendations and Responses
For the Year Ended June 30, 2022

2022-01 Deposit Security

Criteria:

Louisiana Revised Statute 39:1225 requires the amount of security at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposits insured by any governmental agency insuring bank deposit which is organized under the laws of the United States.

Condition:

The Town's bank deposits are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$348,000 and \$56,131 was secured by pledged securities provided by the Town's bank. The Town had deposits of \$23,976 that were uncollateralized.

Cause:

The Town failed to secure sufficient collateral against its deposits.

Effect:

The Town is in violation of Louisiana Revised Statute 39:1225.

Recommendation:

The Town should comply with the requirements set forth in Louisiana Revised Statute 39:1225.

Management's Response:

The Town will ensure that collected funds on deposit will be properly secured.
Responsible Party is Mayor Kenny Giardina, Secretary 225-777-4400.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

10/10/22 (Date Transmitted)

Hebert Johnson & Associates

18990 Florida Blvd Ste A

Albany LA 70711

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 6/30/22 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No [] N/A []

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 R.S. 42:1101-1124.

Yes [] No [] N/A []

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 R.S. 42:1119.

Yes [] No [] N/A []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No [] N/A []

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 R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No [] N/A []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No [] N/A []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No [] N/A []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No [] N/A []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post-adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No N/A

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No N/A

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 R.S. 39:1410.60-1410.65.

Yes No N/A

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, R.S. 14:138, and AG opinion 79-729.

Yes No N/A

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No N/A

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No N/A

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes No N/A

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No N/A

We have provided you with all relevant information and access under the terms of our agreement.

Yes No N/A

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

Yes No N/A

We are not aware of any material misstatements in the information we have provided to you.

Yes No N/A

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose

to you any such communication received between the end of the period under examination and the date of your report.

Yes [x] No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [x] No [] N/A []

The previous responses have been made to the best of our belief and knowledge.

Kenneth D. Bentley Mayor 10-10-2022 Date
Tracy C. Robertson Clerk 10-10-2022 Date