



Required Auditor Disclosure Letter

February 26, 2015

To the Honorable Mayor and
City Council Members of the
City of Mont Belvieu, Texas:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mont Belvieu, Texas (the "City") as of and for the year ended September 30, 2014, and have issued our report thereon dated February 26, 2015. Professional standards require that we provide the City Council (the "governing body") with the following information related to our audit.

I. Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 5, 2014, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with the governing body's oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve the governing body or management of its responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

II. Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management in our engagement letter dated March 5, 2014.

III. Significant Audit Findings

1. *Qualitative Aspects of Accounting Practices*

- A. Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

- B. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the useful lives of capital assets as based on industry standards relating to capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Estimates are used in the calculation of the pension liability and the required annual contribution. The Texas Municipal Retirement System (TMRS) hires a licensed actuary to make key assumptions and to perform calculations, as well as an independent auditor to review those assumptions and calculations. We evaluated the reasonableness of the employee data provided by the City to TMRS.

- C. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of long-term debt in the financial statements is significant to financial statement users because it discloses the City's long-term financial obligations.

2. Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

3. Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes both material and immaterial misstatements detected as a result of our audit procedures.

4. Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

5. Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 26, 2015.

6. Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an

accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

7. Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

IV. Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Mayor, City Council, and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas

Client: **City of Mont Belvieu, Texas**
Engagement: **4.1 - Mont Belvieu 09/30/14**
Period Ending: **9/30/2014**
Trial Balance: **2.2.01 - TB**
Workpaper: **2.5.06 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		J.01		
To correct fund balance. Post as of 9/30/14 and do not reverse.				
13-8605760.014	Transfer Out - Public Safety		23,030.00	
14-2721	UNRESERVED/UNDESIGNATED		23,030.00	
13-2721	UNRSRV'D/UNDSIGNT'D FUND BAL.			23,030.00
14-4505760.13	Transfer in from CIP			23,030.00
Total			46,060.00	46,060.00
Adjusting Journal Entries JE # 2		2.4.04a		
Client prepared entry. Post as of 9/30/14 and do not reverse.				
10-1002	BEVCO CASH INVENTORY CKING		4.88	
10-1390.005	DUE F/T GOLF COURSE		135.00	
10-4975419.09	MISCELLANEOUS SUPPLIES		35.00	
10-4975419.09	MISCELLANEOUS SUPPLIES		122.54	
10-1002	BEVCO CASH INVENTORY CKING			52.33
10-1003	BEVCO CASH OPERATING CKING			35.00
10-1003	BEVCO CASH OPERATING CKING			82.67
10-1003	BEVCO CASH OPERATING CKING			122.54
10-4975103	COS - BEER			4.88
Total			297.42	297.42
Adjusting Journal Entries JE # 3		2.4.04b		
Client prepared entry. Post as of 9/30/14 and do not reverse.				
02-2201	DEFERRED REVENUE PROPERTY TAX		898.60	
02-1152.002	TAX RECEIVABLE - DELINQUE			898.60
Total			898.60	898.60
Adjusting Journal Entries JE # 4		2.4.04c		
Client prepared entry. Post as of 9/30/14 and do not reverse.				
01-1152.001	TAXES RECEIVABLE - CURRENT		1,818.41	
02-1152.001	TAXES RECEIVABLE - CURRENT		2,040.27	
01-2201	DEFERRED REVENUE (P.T.)			1,818.41
02-2201	DEFERRED REVENUE PROPERTY TAX			2,040.27
Total			3,858.68	3,858.68
Adjusting Journal Entries JE # 5		2.4.04d		
Client prepared entry. Post as of 9/30/14 and do not reverse.				
01-1000	CLAIM ON CASH		15,135.50	
02-1390.001	DUE F/T GENERAL FUND		15,135.50	
15-1000	CLAIM ON CASH		900.00	
15-4635391	OTHER NON-PROF SERVICES		200.00	
99-1000	POOLED CASH		16,035.50	
01-1390.002	DUE F/T INTEREST & SINKING FN			15,135.50
02-1001	CASH-PROSPERITY BANK			15,135.50
15-1025	PETTY & TILL CASH			200.00
15-1025	PETTY & TILL CASH			900.00
99-1301	DUE FROM GENERAL FUND			15,135.50
99-1315	DUE FROM RECREATION CTR FND			900.00
Total			47,406.50	47,406.50

Client: **City of Mont Belvieu, Texas**
Engagement: **4.1 - Mont Belvieu 09/30/14**
Period Ending: **9/30/2014**
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Workpaper: **2.5.06 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 6		2.4.04e		
Client prepared entry. Post as of 9/30/14 and do not reverse.				
13-8505911.031	CAP - STRM SEWER, CHNLS, DIT		17,100.00	
13-8645760.028	TRANS OUT - TDRA OVERAGES		399,562.18	
13-8615760.028	TRAN OUT - OVERAGES ON TDRA			17,100.00
13-8615760.028	TRAN OUT - OVERAGES ON TDRA			399,562.18
Total			416,662.18	416,662.18
Adjusting Journal Entries JE # 7		2.4.04f		
Client prepared entry. Post as of 9/30/14 and do not reverse.				
01-1005	EMS - CHAMBERS COUNTY GRANT		255,054.48	
14-1005	EMS - CHAMBERS COUNTY GRANT		60,000.00	
19-1005	VFD CHAMBERS COUNTY GRANT		30,800.00	
19-1005	VFD CHAMBERS COUNTY GRANT		30,800.00	
99-1301	DUE FROM GENERAL FUND		255,054.48	
99-1314	DUE FROM EMS GRANTS & CONT		90,800.00	
01-1000	CLAIM ON CASH			255,054.48
14-1000	CLAIM ON CASH			60,000.00
19-1000	CLAIM ON CASH			30,800.00
19-2202	DEFERRED REVENUE - Ch. Cty Grant			7,700.00
19-3963.021	GRANT REVENUE - COUNTY VFD			23,100.00
99-1000	POOLED CASH			345,854.48
Total			722,508.96	722,508.96
Adjusting Journal Entries JE # 8		2.4.04g		
Client prepared entry. Post as of 9/30/14 and do not reverse.				
32-1390.013	DUE TO/FROM CIP FUND		57,883.00	
35-5015931	CAP-Buildings		7,875.00	
35-5015931	CAP-Buildings		18,200.00	
35-5015931	CAP-Buildings		31,808.00	
32-5015921	CAP-ROADWAY/SIDEWLK/DITCHS			7,875.00
32-5015921	CAP-ROADWAY/SIDEWLK/DITCHS			18,200.00
32-5015921	CAP-ROADWAY/SIDEWLK/DITCHS			31,808.00
35-2100	DUE TO OTHER FUNDS			57,883.00
Total			115,766.00	115,766.00
Adjusting Journal Entries JE # 9		2.4.04h		
Client prepared entry. Post as of 9/30/14 and do not reverse.				
08-2370	NOTES PAYABLE ANDERSON LAND		1,015,500.00	
08-2380.001	GULF COAST FRACT SETTLMY PY		182,398.66	
08-1870	TO BE PROV NOTE PAYABLE - JA			1,015,500.00
08-1890	AMT TO BE PROV. GC FRACT SET.			182,398.66
Total			1,197,898.66	1,197,898.66

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Workpaper: **2.5.06 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 10		E.02		
To record accounts payable as of year end. Post as of 9/30/14 and reverse on 10/1/14.				
01-4105311	CITY ATTORNEY		20,066.28	
01-4105313	ENGINEERING/PLANNING/CONS		15,422.91	
01-4105313	ENGINEERING/PLANNING/CONS		50,983.71	
01-4105333	ELECTRIC		9,964.32	
05-1599.805	CIP - EPGC PAVILLION		296,733.24	
05-4105333	ELECTRIC		5,486.81	
15-4105333	ELECTRIC		14,631.11	
16-4205333	ELECTRIC		23,147.58	
22-8015760.005	TRANSFR OUT CIP GOLF COURSE		296,733.24	
27-5255921	CAP-ROADS/SIDEWALKS/DITCHES		56,138.00	
01-2000	AP PENDING (DUE TO POOLED)			9,964.32
01-2000	AP PENDING (DUE TO POOLED)			15,422.91
01-2000	AP PENDING (DUE TO POOLED)			20,066.28
01-2000	AP PENDING (DUE TO POOLED)			50,983.71
05-2000	AP PENDING (DUE TO POOLED)			5,486.81
05-3999.001	TRNSFRS IN - FRM GENERAL FND			296,733.24
15-2000	AP PENDING (DUE TO POOLED)			14,631.11
16-2000	AP PENDING (DUE TO POOLED)			23,147.58
22-2000	AP PENDING (DUE TO POOLED)			281,896.58
22-2092	RETAINAGE PAYABLE			14,836.66
27-2000	AP PENDING (DUE TO POOLED)			55,015.24
27-2092	Retainage Payable			1,122.76
Total			789,307.20	789,307.20
Adjusting Journal Entries JE # 11				
Adjustment to post interest for September. Post as of 9/30/14 and do not reverse.				
01-1014.201	INVESTMENT POOLED MMKT #2		3,294.67	
01-3980	INTEREST INCOME			3,294.67
Total			3,294.67	3,294.67
Adjusting Journal Entries JE # 12		E.07a-b		
To adjust insurance withheld liability to zero. Post as of 9/30/14 and do not reverse.				
01-2055	INSURANCE WH EMPLOYEE		48,407.12	
16-2055	INSURANCE WH EMPLOYEE		8,135.08	
01-4555223	EMPLR - GRP BENEFIT COSTS			48,407.12
16-4205223	GROUP INSURANCE COSTS			8,135.08
Total			56,542.20	56,542.20

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Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 13		2.4.04i		
To clear capital items recorded as expenditures and reclassify them as fixed assets. Post as of 9/30/14 and do not reverse.				
05-1541	IMPRVMNTS OTHER THAN BUILDING		21,195.99	
05-1541	IMPRVMNTS OTHER THAN BUILDING		62,100.00	
05-1550	VEHICLES AND EQUIPMENT		198,356.07	
05-1599.805	CIP - EPGC PAVILLION		644,654.12	
13-4205760.016	TRNS OUT-ASSETS TO P U FUND		40,200.00	
15-1531	BUILDINGS		17,430.00	
15-1531	BUILDINGS		21,536.50	
15-1531	BUILDINGS		30,159.38	
15-1531	BUILDINGS		186,790.31	
15-1541	IMPROVEMENTS OTHER THAN BLDGS		36,900.00	
15-1550	VEHICLES AND EQUIPMENT		8,952.98	
15-1550	VEHICLES AND EQUIPMENT		10,000.00	
15-1550	VEHICLES AND EQUIPMENT		17,213.66	
15-1550	VEHICLES AND EQUIPMENT		28,567.00	
15-1550	VEHICLES AND EQUIPMENT		42,771.67	
16-1545	INFRASTRUCTURE WATER & SEWER		40,200.00	
16-1545	INFRASTRUCTURE WATER & SEWER		392,829.80	
16-1550	VEHICLES AND EQUIPMENT		48,722.57	
16-1550	VEHICLES AND EQUIPMENT		350,480.70	
16-1599.603	CIP - FA - WATER & SWR MAINS		23,694.07	
16-1599.604	CIP - ELEVATED TANKS		59,329.12	
16-1599.705	CIP -FA-LIFT STA-WW TRTMT PLN		25,419.98	
16-1699	ACCULATED DEPRECIATION		38,237.90	
18-4205770	OPERATING TRANS OUT - PUF		59,329.12	
18-4205770	OPERATING TRANS OUT - PUF		350,480.70	
18-4205770	OPERATING TRANS OUT - PUF		392,829.80	
22-8015760.005	TRANSFR OUT CIP GOLF COURSE		21,195.99	
22-8015760.005	TRANSFR OUT CIP GOLF COURSE		644,654.12	
28-4205770.016	TRANSFERS OUT		25,419.98	
28-4205770.016	TRANSFERS OUT		48,722.57	
34-4205770.016	TRANSFERS OUT		23,694.07	
05-3999.001	TRNSFRS IN - FRM GENERAL FND			21,195.99
05-3999.022	Transfers In - Park Development			644,654.12
05-4835956	CAP - OTHER EQUIP & VEHICLES			260,456.07
13-8485941.06	CAP - LIFT STATIONS			40,200.00
15-3970	GAIN ON SALE OF FIXED ASSETS			3,500.00
15-4605958	RECREATIONAL & FTNS EQUIP			66,485.33
15-4615941.010	CAP - PARKS & REC STRUCTURES			36,900.00
15-4635959	KITCHEN EQUIPMENT			26,382.98
15-4645931	CAP - BUILDING & STRUCTURES			267,053.19
16-1550	VEHICLES AND EQUIPMENT			38,237.90
16-3999.013	TRANSFER IN			40,200.00
16-3999.013	TRANSFER IN			59,329.12
16-3999.018	OPERATING TRANS IN - FARF			350,480.70
16-3999.018	OPERATING TRANS IN - FARF			392,829.80
16-3999.028	TRANSFERS IN - GLO			25,419.98
16-3999.028	TRANSFERS IN - GLO			48,722.57
16-3999.034	TRANSFERS IN			23,694.07
18-4205941.1	CAP - ELEVATED TANKS			59,329.12
18-4205941.1	CAP - ELEVATED TANKS			392,829.80
18-4205954	CAP-Auto & Trucks			165,148.20

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Account	Description	W/P Ref	Debit	Credit
18-4205959	CAP-OTHER EQUIP/VEHICLES			185,332.50
22-8055931	CAP EXP - BUILDINGS			644,654.12
22-8065932	PARKING LOT RECONFIGURATION			21,195.99
28-5035941.050	CAP-WW TREATMENT PLANT			25,419.98
28-5055956	CAP-MACHINERY/TOOLS/EQPT			48,722.57
34-5205941	CAP-WATER AND SEWER SYSTEM			23,694.07
Total			3,912,068.17	3,912,068.17

Adjusting Journal Entries JE # 14

2.4.04i

To reclass CIP to fixed assets. Provided by client. Post as of 9/30/14 and do not reverse.

05-1541	IMPRVMNTS OTHER THAN BUILDING		22,930.62	
16-1545	INFRASTRUCTURE WATER & SEWER		6,182.50	
16-1545	INFRASTRUCTURE WATER & SEWER		41,875.86	
16-1550	VEHICLES AND EQUIPMENT		25,419.98	
16-1599.604	CIP - ELEVATED TANKS		32,549.46	
05-1531	BUILDINGS PERMANENT STRUCTURE			3,712.01
05-1599.805	CIP - EPGC PAVILLION			19,218.61
05-1599.806	CIP - GC PARKING LOT CONFIG			32,549.46
16-1545	INFRASTRUCTURE WATER & SEWER			6,182.50
16-1599.604	CIP - ELEVATED TANKS			25,419.98
16-1599.705	CIP -FA-LIFT STA-WW TRTMT PLN			41,875.86
16-1599.705	CIP -FA-LIFT STA-WW TRTMT PLN			41,875.86
Total			128,958.42	128,958.42

Adjusting Journal Entries JE # 15

2.4.04i

To record depreciation. Provided by client. Post as of 9/30/14 and do not reverse.

05-4105752	DEPRECIATION EXPENSE		490,623.03	
15-4105752	DEPRECIATION EXPENSE		652,409.61	
16-4205752	DEPRECIATION EXPENSE		1,221,427.03	
05-1699	ACCUMULATED DEPRECIATION			490,623.03
15-1699	ACCUMULATED DEPRECIATION			652,409.61
16-1699	ACCULATED DEPRECIATION			1,221,427.03
Total			2,364,459.67	2,364,459.67

Adjusting Journal Entries JE # 16

2.4.04i

To record retirement in enterprise funds. Provided by client. Post as of 9/30/14 and do not reverse.

15-1699	ACCUMULATED DEPRECIATION		75,864.20	
15-1550	VEHICLES AND EQUIPMENT			75,864.20
Total			75,864.20	75,864.20

Adjusting Journal Entries JE # 17

2.4.04j

Entry provided by client for reclassing and capitalization. Post as of 9/30/14 and do not reverse.

01-4555760.016	OPERATING TRNSFR OUT - PUF		53,121.07	
01-4555760.018	TRANSFER OUT - FARR		9,116.05	
01-4555760.032	TRANSFER OUT TO PERRY ROAD		15,003.75	
07-1511	LAND IMPROVEMENTS		130,995.33	
07-1531	BUILDINGS		21,300.00	
07-1550	VEHICLES & EQUIPMENT		9,116.05	
13-4645770.015	OPERATING TRAN OUT - EPRC		21,229.96	
13-8555911	CAP-LAND IMPROVEMENTS		21,229.96	
13-8555911	CAP-LAND IMPROVEMENTS		130,995.33	
13-8625951	CAP EXP - RECR/PARK AMENITIE		21,300.00	

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Account	Description	W/P Ref	Debit	Credit
15-1541	IMPROVEMENTS OTHER THAN BLDGS		21,229.96	
16-1599.603	CIP - FA - WATER & SWR MAINS		15,003.75	
16-1599.705	CIP -FA-LIFT STA-WW TRTMT PLN		53,121.07	
18-4375955	CAP-INSTRUMENTS & APPARATUS		9,116.05	
34-4205770.016	TRANSFERS OUT		15,003.75	
34-5005941	CAP-WATER AND SEWER SYSTEM		26,497.44	
34-5005941	CAP-WATER AND SEWER SYSTEM		26,623.63	
34-5205941	CAP-WATER AND SEWER SYSTEM		15,003.75	
01-1152.082	BRIDGETTE LN PAVING ASSESMEN			
01-4105313	ENGINEERING/PLANNING/CONS			15,003.75
01-4105313	ENGINEERING/PLANNING/CONS			26,497.44
01-4105313	ENGINEERING/PLANNING/CONS			26,623.63
01-4375452.020	CONT - COMM EQUIP			9,116.05
07-2710	INVESTMENT IN FIXED ASSET			9,116.05
07-2710	INVESTMENT IN FIXED ASSET			21,300.00
07-2710	INVESTMENT IN FIXED ASSET			130,995.33
13-8555911	CAP-LAND IMPROVEMENTS			21,229.96
13-8685612.05	PARK & RECRT'N AMENITIES			21,300.00
13-8685612.05	PARK & RECRT'N AMENITIES			152,225.29
15-3999.013	OPERATING TRANS IN - CIP			21,229.96
16-3999.001	TRANSFERS IN- FROM GEN FUND			53,121.07
16-3999.034	TRANSFERS IN			15,003.75
18-3999.001	TRANSFERS IN- FROM GEN FUND			9,116.05
34-3999.001	Transfer In			15,003.75
34-3999.001	Transfer In			53,121.07
34-5205941	CAP-WATER AND SEWER SYSTEM			15,003.75
Total			615,006.90	615,006.90
Adjusting Journal Entries JE # 18		D.05		
To record membership receivable additions and defer membership revenue. Post as of 9/30/14 and do not reverse.				
15-1152.031	ACCT REC-MEMBER-CURRENT		47,598.48	
15-2230	DEFERRED REVENUE - MEMBERS			14,582.80
15-3310	MEMBERSHIP FEES			33,015.68
Total			47,598.48	47,598.48
Adjusting Journal Entries JE # 19		H.02b		
To record capital contribution related to St. Augustine Meadows. Post as of 9/30/14 and do not reverse.				
13-8505901	CAP - LAND		318,600.00	
13-8515911	CAP-LAND IMPROVEMENTS		233,001.35	
13-8555911	CAP-LAND IMPROVEMENTS		744,296.20	
16-1545	INFRASTRUCTURE WATER & SEWER		835,019.23	
13-3919	Developer Contribution - EP Estates			1,295,897.55
16-3995	CAPITAL CONTRIBUTION			835,019.23
Total			2,130,916.78	2,130,916.78
Adjusting Journal Entries JE # 20		H.02a		
To record notes payable proceeds for land purchase and reclass scheduled payments as principal retirement and interest expense. Post as of 9/30/14 and do not reverse.				
13-52370	NOTES PAYABLE PRINCIPAL		750,000.00	
13-52371	NOTES PAYABLE INTEREST EXPENSE		265,500.00	
13-8675901	LAND		9,000,000.00	
13-3950	BOND PROCEEDS			9,000,000.00
13-8675901	LAND			1,015,500.00
Total			10,015,500.00	10,015,500.00

Client: **City of Mont Belvieu, Texas**
Engagement: **4.1 - Mont Belvieu 09/30/14**
Period Ending: **9/30/2014**
Trial Balance: **2.2.01 - TB**
Workpaper: **2.5.06 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 21				
To adjust negative cash balances. Client should post as of 9/30/14 and do not reverse.				
01-1000	CLAIM ON CASH		132,000.00	
01-1014	P.BNK MONEY MKT INVESTMENT		41,557.78	
13-1390.001	DUE F/T GENERAL FUND		41,557.78	
13-1390.001	DUE F/T GENERAL FUND		132,000.00	
13-1390.006	DUE F/T CAPITAL PROJECTS FUND		1,164,622.55	
18-1301	DUE F/T GENERAL FUND		698,404.68	
22-1390.013	DUE TO/FRM CIP FUND		70,401.07	
31-1000	CLAIM ON CASH		70,401.07	
32-1000	CLAIM ON CASH		1,164,622.55	
34-1000	CLAIM ON CASH		698,404.68	
01-1390.013	DUE F/T CAP PROJ - CIP PRG FN			41,557.78
01-1390.013	DUE F/T CAP PROJ - CIP PRG FN			132,000.00
13-1000	CLAIM ON CASH			132,000.00
13-1000	CLAIM ON CASH			1,164,622.55
13-1014	P.BNK MONEY MKT INVESTMENT			41,557.78
18-1000	CLAIM ON CASH			698,404.68
22-1000	CLAIM ON CASH			70,401.07
31-1390.001	DUE TO/FROM GENERAL FUND			70,401.07
32-1390.013	DUE TO/FROM CIP FUND			1,164,622.55
34-1390.013	Due to/From CIP Fund			698,404.68
Total			<u>4,213,972.16</u>	<u>4,213,972.16</u>
Adjusting Journal Entries JE # 22				
To record receivable in grant fund. Post as of 9/30/14 and reverse on 10/1/14.				
13-1390.028	DUE FRM/TO GLO IKE RECOV FND		325,419.00	
28-1152.001	IKE RECOVERY RECEIVABLE		325,419.63	
28-3999.013	TRANSFER IN - CIP		325,419.00	
13-8615760.028	TRAN OUT - OVERAGES ON TDRA			325,419.00
28-1390.013	DUE FRM/TO CIP FUND			325,419.00
28-3964	FEMA IKE RECOVERY GRANT REV			325,419.63
Total			<u>976,257.63</u>	<u>976,257.63</u>
Adjusting Journal Entries JE # 23				
To restate fund balance for prior year construction in progress. Post as of 9/30/14 and do not reverse.				
32-2721	UNRESERVED, UNDESIGNATED		1,430,153.30	
32-5015921	CAP-ROADWAY/SIDEWLK/DITCHS			1,430,153.30
Total			<u>1,430,153.30</u>	<u>1,430,153.30</u>
Adjusting Journal Entries JE # 24				
To correct posting of revenue to court technology fund. Post as of 9/30/14 and do not reverse.				
01-3932	MUNICIPAL COURT FINES		8,786.00	
12-1000	CLAIM ON CASH		8,786.00	
01-1000	CLAIM ON CASH			8,786.00
12-3932	COURT FEES-TECHNOLOGY			8,786.00
Total			<u>17,572.00</u>	<u>17,572.00</u>

Client: **City of Mont Belvieu, Texas**
Engagement: **4.1 - Mont Belvieu 09/30/14**
Period Ending: **9/30/2014**
Trial Balance: **2.2.01 - TB**
Workpaper: **2.5.06 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 25				
To correct retainage payable. Post as of 9/30/14 and do not reverse.				
01-2092	RETAINAGE PAYABLE		31,345.00	
01-2092	RETAINAGE PAYABLE		181,315.10	
18-1000	CLAIM ON CASH		31,345.00	
27-2092	Retainage Payable		127,235.57	
34-1000	CLAIM ON CASH		181,315.10	
01-1000	CLAIM ON CASH			31,345.00
01-1000	CLAIM ON CASH			181,315.10
18-2092	RETAINAGE PAYABLE			31,345.00
27-5275921	CAP - ROADS/SIDEWLKS/BRIDGES			127,235.57
34-2092	RETAINAGE PAYABLE			181,315.10
Total			552,555.77	552,555.77

Adjusting Journal Entries JE # 26				
To record transfer to seizures fund. Post as of 9/30/14 and do not reverse.				
01-4996	OPERATING TRANSFERS OUT		7.55	
04-4375419.02	POLICE & INVENTORY SUPPLIES		7.55	
01-4375419.02	PATROL & CRIMINAL INVEST SUP			7.55
04-499601	Transfer In			7.55
Total			15.10	15.10

Adjusting Journal Entries JE # 27				
Client prepared entry. Post as of 9/30/14 and do not reverse.				
		2.4.04k		
01-1000	CLAIM ON CASH		879.90	
01-4315670.06	R & M -SFTY EQUIP & DEVCS		170.10	
05-4105751	CASH (OVER) SHORT		3.01	
15-1152.081	NSF'S & ACCOUNT REJECTS		141.00	
15-4105751	CASH <OVER> SHORT		2.97	
16-1000	CLAIM ON CASH		4.99	
16-4205751	CASH <OVER> SHORT		0.01	
28-1000	CLAIM ON CASH		19,373.27	
99-1000	POOLED CASH		20,111.18	
01-3960.010	Police BPVET Grant			1,050.00
05-1000	CLAIM ON CASH			3.01
15-1000	CLAIM ON CASH			143.97
16-3990	MISCELLANEOUS REVENUE			5.00
28-1152.001	IKE RECOVERY RECEIVABLE			19,373.27
99-2100	DUE TO OTHER FUNDS			20,111.18
Total			40,686.43	40,686.43

Adjusting Journal Entries JE # 28				
Adjustment to finalize FEMA Cotton Bayou grant. Post as of 9/30/14 and do not reverse.				
13-8615760.031	TRANSFER OUT-FEMA COTTON BAYOU		21,962.72	
13-8615760.031	TRANSFER OUT-FEMA COTTON BAYOU		34,034.32	
31-1000	CLAIM ON CASH		55,997.04	
13-1000	CLAIM ON CASH			55,997.04
31-3999.013	TRAN IN - FROM CIP FUND			21,962.72
31-3999.013	TRAN IN - FROM CIP FUND			34,034.32
Total			111,994.08	111,994.08

Client: **City of Mont Belvieu, Texas**
Engagement: **4.1 - Mont Belvieu 09/30/14**
Period Ending: **9/30/2014**
Trial Balance: **2.2.01 - TB**
Workpaper: **2.5.06 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 29				
Restatement of fund balance for fund 31. Post as of 9/30/14 and do not reverse.				
31-2721	UNRESERVED, UNDESIGNATED		55,997.04	
31-1152.099	FEMA CB DIVERSION GRANT			20,151.73
31-3964	GRANT REV- FEMA CB DIVERSION			35,845.31
Total			55,997.04	55,997.04
Adjusting Journal Entries JE # 30				
To record capital asset additions. Post as of 9/30/14 and do not reverse.				
07-1501	LAND		496,524.04	
07-1511	LAND IMPROVEMENTS		318,443.73	
07-1521	ROADS & BRIDGES		1,994,433.26	
07-1531	BUILDINGS		123,519.92	
07-1550	VEHICLES & EQUIPMENT		185,037.60	
07-1599.013	CONSTRUCTION IN PROG - CIP		218,266.49	
07-1599.501	CIP - PERRY ROAD EXTENSION		3,563,788.60	
07-1599.846	CIP - RESERVOIRS/HOLDING TANK		400,638.89	
07-2710	INVESTMENT IN FIXED ASSET			7,300,652.53
Total			7,300,652.53	7,300,652.53