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STATE OF LOUISIANA  
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Baton Rouge, Louisiana

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**Kofin-Baby Wise Waterworks District**  
**No. 11A of Rapides Parish, Louisiana**  
(A Component Unit of the Rapides Parish Police Jury)

Financial Statements  
December 31, 1997

RECEIVED  
RAPIDES PARISH POLICE JURY  
DEC 31 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 16 1998

## Table of Contents

Accountants' Compilation Report .....	Page 1
Balance Sheet .....	2
Statement of Revenues, Expenses and Changes in Retained Earnings .....	3
Statement of Cash Flows .....	4
Notes to the Financial Statements .....	5
Supplemental Data Commissioners' Per Diem .....	12
Independent Accountants' Report on Applying Agreed-Upon Procedures .....	13
Louisiana Antitrust Questionnaire .....	18

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# KNIGHT & MASDEN

*Certified Public Accountants*

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A PROFESSIONAL ACCOUNTING CORPORATION

Coen E. Knight, Jr., CPA  
K. Martin Masden, CPA

June 26, 1998

Accountants' Compilation Report

Associates:  
John E. Theibert II, CPA  
Kathleen S. Balgoad, CPA

Board of Commissioners  
Kalis-Baby Wise Waterworks District No. 11A  
of Rapides Parish, Louisiana  
(A Component Unit of the Rapides Parish  
Police Jury)  
Pineville, LA 71360

We have compiled the accompanying balance sheet of Kalis-Baby Wise Waterworks District No. 11A of Rapides Parish, Louisiana, (A Component Unit of the Rapides Parish Police Jury) as of December 31, 1997, and the related statements of revenues, expenses and changes in retained earnings and cash flows for the year then ended and accompanying supplemental data, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplemental data information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplemental data and, accordingly, do not express an opinion or any other form of assurance on them.

*Knights - Masden*  
KNIGHT & MASDEN

**KOLIN-RUBY WISE WATERWORKS DISTRICT NO. 11A**  
**68<sup>th</sup> RAPIDS PARISH, LOUISIANA**  
 (A Component Unit of the Rapides Parish Police Jury)

**Balance Sheet**  
**December 31, 2007**

**ASSETS**

<b>Current Assets</b>			
Cash and cash equivalents	\$ 279,682		
Receivables (net of allowance for doubtful accounts)	56,183		
Prepaid expenses	6,063		
Inventory	<u>20,247</u>		
<b>Total Current Assets</b>			<b>\$ 362,175</b>
<b>Restricted assets</b>			
Cash and cash equivalents	8,238		
Certificates of deposit	<u>121,000</u>		
<b>Total Restricted Assets</b>			<b>131,238</b>
<b>Fixed Assets (net of accumulated depreciation)</b>			<b>1,317,987</b>
<b>Other Assets</b>			<b>12,000</b>
<b>Total Assets</b>			<b><u>\$1,823,399</u></b>

**LIABILITIES AND FUND EQUITY**

<b>Current Liabilities</b>			
Accounts payable	\$ 2,470		
Sales tax payable	618		
Bonds/notes payable	3,728		
Interest payable	<u>750</u>		
<b>Total Current Liabilities</b>			<b>\$ 7,586</b>
<b>Liabilities payable from restricted assets</b>			<b><u>68,718</u></b>
<b>Total Liabilities</b>			<b>76,304</b>
<b>Fund Equity</b>			
Contributed capital		428,621	
Retained earnings			
Reserved for debt service	\$ 30,750		
Unreserved	<u>1,360,361</u>	<u>(1,201,111)</u>	
<b>Total Fund Equity</b>			<b>1,728,362</b>
<b>Total Liabilities and Fund Equity</b>			<b><u>\$1,823,399</u></b>

See accompanying notes and accountants' report.

**ECHEM BURY WISE WATERWORKS DISTRICT NO. 11A  
OF RAPIDES PARISH, LOUISIANA**  
(A Component Unit of the Rapides Parish Police Jury)  
**Statement of Revenues, Expenses and  
Changes in Retained Earnings**  
For the year ended December 31, 1997

<b>Operating Revenues</b>		
Water sales and tap fees	\$ 223,684	
Late charges and connection fees	—26,872	
<b>Total Operating Revenues</b>		<b>\$ 196,812</b>
<b>Operating Expenses</b>		
Fuel debts	1,751	
Chemicals	23,089	
Depreciation	41,856	
Vehicle expense	321	
Insurance	20,186	
Pay items - board members	3,840	
Repairs and maintenance	3,497	
Salaries	60,971	
Other	8,084	
Supplies	9,923	
Telephone	3,267	
Utilities	15,736	
Collection expense	2,783	
Postage and freight	3,287	
Professional fees	6,075	
Retirement expense	6,289	
Office supplies	2,035	
Payroll taxes	—2,282	
<b>Total Operating Expenses</b>		<b>—248,294</b>
<b>Operating Loss</b>		<b>(58,482)</b>
<b>Nonoperating Revenues (Expenses)</b>		
All valuation taxes	22,634	
Interest income	16,256	
Interest expense	—(2,825)	
<b>Total Nonoperating Revenues (Expenses)</b>		<b>35,065</b>
<b>Net Income</b>		<b>23,177</b>
<b>Retained earnings, beginning of year</b>		<b>1,800,904</b>
<b>Retained earnings, end of year</b>		<b><u>\$1,824,081</u></b>

See accompanying notes and accountants' report.

EOLDFORRY WISE WATERWORKS DISTRICT NO. 11A  
 OF RAPIDES PARISH, LOUISIANA  
 (A Component Unit of the Rapides Parish Police Jury)  
 Statement of Cash Flows  
 For the Year Ended December 31, 1997

Cash Flows from Operating Activities	
Operating income (loss)	\$ (3,685)
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	\$ 41,835
Increase in receivables	(8,800)
Increase in prepaid expenses	(1,267)
Increase in inventories	(236)
Increase in other assets	(2,157)
Increase in customer deposits	1,915
Increase in accounts and miscellaneous payables	341
Decrease in interest payable	(313)
	<u>32,760</u>
Net Cash Provided by Operating Activities	29,072
Cash Flows From Noncapital Financing Activities	
Tax receipts collected by other governmental agency	23,634
Cash Flows From Capital and Related Financing Activities	
Cash payments for purchase of capital assets	(4,200)
Principal payments on long term debt	(25,000)
Interest expense	(2,022)
Net Cash Used by Capital and Related Financing Activities	(31,222)
Cash Flows From Investing Activities	
Interest income	<u>16,256</u>
Net Increase in Cash and Equivalents	14,110
Cash and cash equivalents at beginning of year	<u>167,578</u>
Cash and cash equivalents at end of year	<u>\$ 181,688</u>

See accompanying notes and accountants' report.

KOLIN-KUBY WISE WATERWORKS DISTRICT NO. 11A  
OF RAPIDES PARISH, LOUISIANA  
(A Component Unit of the Rapides Parish Police Jury)  
Notes to the Financial Statements  
December 31, 2007

**Note 1 - Summary of Significant Accounting Policies**

The Kolin-Kuby Wise Waterworks District No. 11A of Rapides Parish, Louisiana (the Waterworks District) was created by the Rapides Parish Police Jury, as authorized by Louisiana Revised Statute 15:3811. The Waterworks District is governed by a five-member board of commissioners who are residents of and own real estate in the Waterworks District. The board members are compensated for meetings attended. The board is appointed by the Jury and is responsible for providing water service to approximately 1,800 users within the boundaries of the Waterworks District. The Waterworks District employs 9 full-time employees.

The following is a summary of significant accounting policies.

**A. Basis of Presentation**

The accompanying financial statements of the Waterworks District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. Financial Reporting Entity**

Section 2100 of the GASB Classification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Waterworks District includes all funds that are within the oversight responsibility of the Waterworks District. The Waterworks District is a component unit of the Rapides Parish Police Jury. Certain units of local government over which the Waterworks District exercises no oversight responsibility, such as the parish police jury, parish school board, other independently-elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Waterworks District.

**C. Fund Accounting**

The Waterworks District uses a proprietary - enterprise fund to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A proprietary - enterprise fund is used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided by the Waterworks District to outside parties, the cost of which is recovered primarily through user fees.

KOHLIN-KUBY WISE WATERWORKS DISTRICT NO. 11A  
OF RAPIDES PARISH, LOUISIANA  
(A Component Unit of the Rapides Parish Police Jury)  
Notes to the Financial Statements  
December 31, 1997

Note 1 - Summary of Significant Accounting Policies, Continued

D. *Basis of Accounting*

All proprietary funds are accounted for on a flow-of-economic-resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included in the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. Inventory of supplies is carried at cost, on the first-in, first-out method.

E. *Cash Equivalents*

Cash equivalents are bank certificates of deposit stated at cost plus accrued interest. The certificates of deposit with maturity dates less than 90 days are considered to be cash equivalents.

F. *Fixed Assets*

All fixed assets are stated at historical cost. Depreciation of all depreciable assets is charged as an expense against operations. Depreciation is calculated using the straight line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Water system	25 - 50 years
Equipment	5 - 15 years

G. *Bad Debts*

Uncollectible amounts due for all water rates and customers' utility receivables are recognized as bad debts through the establishment of an allowance account based on historical information which would indicate the uncollectibility of a portion of the particular receivable.

H. *Contributed Capital*

Grant funds received from federal and state agencies restricted for use in financing capital improvements are not reflected as revenues. They are recorded in fund equity as contributed capital.

Note 2 - Cash and Cash Equivalents and Certificates of Deposit

Under state law, the Waterworks District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Waterworks District may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.



**KOLES-BLUFF WISE WATERWORKS DISTRICT NO. 11A**  
**OF RAPIDES PARISH, LOUISIANA**  
**(A Component Unit of Rapides Parish Police Jury)**  
**Notes to the Financial Statements**  
**December 31, 1997**

**Note 2 - Cash and Cash Equivalents and Certificates of Deposit, Continued**

At December 31, 1997, the Waterworks District had cash and cash equivalents and certificates of deposit not classified to be cash equivalents totaling \$418,710 as follows:

Demanded deposits (includes \$8,228 restricted assets)	\$ 64,710
Certificates of deposit, with less than 91 days maturity	353,000
Total Cash and Cash Equivalents	417,710
Certificates of deposit, other maturities	115,000
	<u>\$ 532,710</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank. Cash and cash equivalents and certificates of deposit (bank balances) at December 31, 1997 are secured as follows:

Bank balances	\$ 443,751
Federal deposit insurance	\$ 200,000
Pledged securities (noncollateralized)	.242,751
Total insurance and pledged securities	<u>\$ 646,751</u>

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 5, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Waterworks District that the fiscal agent has failed to pay deposited funds upon demand.

**Note 3 - Receivables**

The following is a summary of receivables at December 31, 1997:

Water sales		
Billed services	\$ 32,086	
Unbilled services	7,283	\$ 39,369
Ad valorem taxes		30,421
		69,790
Less: Allowance for doubtful accounts		<u>(3,660)</u>
Total		<u>\$ 66,130</u>

KOLIN-BURY WEST WATERWORKS DISTRICT NO. 11A  
 C/O MAHARRI PARKS, LOUISIANA  
 (A Component Unit of Rapides Parish Police Jury)  
 Notes to the Financial Statements  
 December 31, 1997

**Note 4 - Restricted Assets**

Certain proprietary - municipal fund resources are classified as restricted assets on the balance sheet because their use is restricted by applicable bond covenants or for other legal purposes. The "Revenue Bond Sinking Fund" account is used to accumulate monies to be used for debt service payments within the next twelve months. The "Capital Additions and Contingency Fund" account is used to provide for expansions, additions, improvements, repairs and replacements necessary to properly operate the System. The "Revenue Bond Reserve Fund" is used to report resources set aside to make up potential future deficiencies in the Revenue Bond Sinking Fund Account. Customers' deposits are not associated with the revenue bond indentures. However, these are required deposits from customers to insure against nonpayment of billings or property damage.

Amounts included in the above listed accounts are as follows:

Revenue bond sinking fund account	\$ 38,000
Capital additions and contingency fund account	15,000
Revenue bond reserve fund account	40,000
Customers' deposits	<u>38,328</u>
	<u>\$ 131,328</u>

The balances of all three accounts associated with the revenue bonds were in compliance with the bond indentures.

**Note 5 - Fixed Assets**

A summary of fixed assets at December 31, 1997 follows:

Land	\$ 8,481
Water system	1,838,968
Equipment and vehicles	37,740
Improvements	<u>3,182</u>
	1,877,211
Less accumulated depreciation	<u>249,584</u>
Net	<u>\$1,627,627</u>

**KOHLIN JURY WASTE WATERWORKS DISTRICT NO. 11A**  
**OF RAPIDES PARISH, LOUISIANA**  
 (A Component Unit of the Rapides Parish Police Jury)  
 Notes to the Financial Statements  
 December 31, 1997

**Note 6 - Long-Term Debt**

Revenue bonds dated August 1, 1979, in the amount of \$350,000 were issued for the purpose of maintaining the water system. The bonds bear an interest rate of six percent with annual principal payments of \$5,000 to \$35,000 through August 1, 1998, and are secured by the pledge of income and revenues derived from water sales. The annual requirements to amortize all revenue bonds outstanding at December 31, 1997 follow:

Year Ending December 31	Principal	Interest	Total
1998	<u>30,000</u>	<u>800</u>	<u>30,800</u>
Total	<u>\$ 30,000</u>	<u>\$ 800</u>	<u>\$ 30,800</u>

The bond indenture also requires the restriction of retained earnings for amounts due on bonds that are not set aside in the sinking fund and reserve fund accounts.

**Note 7 - Liabilities Payable From Restricted Assets**

Customer deposits and the current portion of revenue bonds are payable from restricted assets referred to in Note 4. Amounts included in these accounts are as follows:

Customer Deposits	\$ 38,000
Revenue Bonds Payable - Current portion	<u>30,000</u>
	<u>\$ 68,000</u>

**Note 8 - Retirement Plan**

Substantially all employees of the Waterworks District are members of the Parochial Employees Retirement System (the system), a cost sharing multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system is composed of two district plans (Plan A and Plan B). All participating employees of the Waterworks District are members of Plan A.

The System provides retirement, death and disability benefits to plan members and beneficiaries. Benefits are established by state statute. The Parochial Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Parochial Employees Retirement System, P. O. Box 14618, Baton Rouge, LA 70808-6619 or by calling (204) 928-1361.

KOLIN-BUBY WISE WATERWORKS DISTRICT NO. 11A  
OF RAPIDS PARISH, LOUISIANA  
(A Component Unit of the Rapids Parish Police Jury)  
Notes to the Financial Statements  
December 31, 1997

**Note 8 - Retirement Plan, Continued**

Covered employees are required by state statute to contribute 9.5 percent of their salary to the plan. The Waterworks District is required by the same statute to contribute 7.25 percent. Contribution rates have remained the same for the current and prior two years. In addition, contributions to the System include one-fourth of one percent of the taxes shown to be collected by the sheriff of each respective parish, except Orleans and East Baton Rouge Parish. The Waterworks District's contributions to the system for the years ended December 31, 1997, 1996 and 1995 were \$6,873, \$5,126 and \$5,116, respectively, equal to the required contributions for each year.

**Note 9 - Deferred Debt**

On June 11, 1986, the Waterworks District deferred the 1973 Series of Public Improvement Bonds by placing \$255,719 in an irrevocable trust to purchase United States government securities. These securities placed in the irrevocable trust with an escrow agent will provide for all future debt service payments on the 1973 series bonds. As a result, the 1973 series bonds were removed from the balance sheet at December 31, 1989. The amount outstanding of the 1973 series bonds at December 31, 1997 is \$25,000.

**Note 10 - Ad Valorem Taxes**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Waterworks District in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

For the year ended December 31, 1997, taxes of 4.35 mills were levied on property with approximate assessed valuations totaling \$13,639,572 and were dedicated to general corporate purposes.

**Note 11 - Vacation and Sick Leave**

Employees of the Waterworks District, depending on their length of service, earn from one to two weeks of noncumulative vacation leave each year, and all employees are granted five days of sick leave annually, with a maximum accumulation of 15 days. At December 31, 1997, there are no accumulated and unused benefits relating to vacation and sick leave that should be accrued or disclosed in conformance with generally accepted accounting principles.

**Note 12 - Litigation**

There is no pending litigation at this time regarding Kolin-Buby Wise Waterworks District No. 11A.

## Supplemental Data

EDLEY-RIBBY WIDE WATERWORKS DISTRICT NO. 11A  
OF RAPIDES PARISH, LOUISIANA  
(A Component Unit of the Rapides Parish Police Jury)  
Commissioners' Pay Sheet  
For the Year Ended December 31, 1997

<u>Name</u>	<u>Total Pay Sheet</u>
Jim Arkin	\$ 840
Clifton Breunard	840
Arthur McKeerly	840
James Koss	840
Krystal Willford	<u>450</u>
Total	<u>\$ 3,810</u>

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# KNIGHT & MASDEN

*Certified Public Accountants*

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A PROFESSIONAL ACCOUNTING CORPORATION

Coen I. Knight, Jr., CPA  
K. Martin Masden, CPA

June 26, 1998

Associate:  
John E. Theibert II, CPA  
Kathleen S. Balgardi, CPA

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

Board of Commissioners  
Katie Baby Wise Waterworks District No. 11A  
of Rapides Parish, Louisiana  
(A Component Unit of the Rapides Parish  
Police Jury)  
Pineville, LA 71360

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Katie Baby Wise Waterworks District No. 11A of Rapides Parish, Louisiana (A Component Unit of the Rapides Parish Police Jury) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Katie Baby Wise Waterworks District No. 11A of Rapides Parish, Louisiana (A Component Unit of the Rapides Parish Police Jury) compliance with certain laws and regulations during the year ended December 31, 1997 included in the accompanying Louisiana *Annuaire* (Questionnaire). This agreed upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purposes.

### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2212 (the public bid law).

During calendar year 1997, there were no expenditures for materials and supplies exceeding \$5,000 and no public works expenditures exceeding \$50,000.

### Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1301-1304 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

Board of Commissioners  
Kodi-Roby Water Wastewater District No. 13A  
of Rapides Parish, Louisiana.

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

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

#### *Budgeting*

5. Obtain a copy of the legally adopted budget and all amendments.
6. Trace the budget adoption and amendments to the minute book.
7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

The water works district is not required to adopt a budget.

#### *Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination and:
  - (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the 6 selected disbursements and found that payment was for the proper amount and made to the correct payee.

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

All of the payments selected were properly coded to the correct general ledger account.

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

All of the payments selected were approved by two officers of the Board of Commissioners and one board member.

#### *Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RSA 42:1 through 42:12 (the open meetings law).



Board of Commissioners  
Kolin-Ruby Wino Waterworks District No. 11A  
of Rapides Parish, Louisiana

Kolin-Ruby Wino Waterworks District No. 11A of Rapides Parish, Louisiana is only required to publish the minutes of each meeting in the local newspaper. We examined supporting documentation and found that the Waterworks District properly publishes the minutes from each meeting.

*Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or life insurances.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or life insurances.

*Advances and Advances*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the district for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

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

This report is issued solely for the use of management of Kolin-Ruby Wino Waterworks District No. 11A of Rapides Parish, Louisiana (A Component Unit of the Rapides Parish Police Jury) and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed in the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Knight - Madden*  
ENHRT & MADDEN

## Louisiana Governmental Audit Guide

## APPENDIX F. LOUISIANA ATTESTATION QUESTIONNAIRE

\_\_\_\_\_ June 23, 1999 \_\_\_\_\_ Date

Erwin Gordon, CPA  
2615 J. Jackson Sr.  
Monroe, LA 71201  
 \_\_\_\_\_ (Auditor)

In connection with your compilation of our financial statements as of December 31, 1997 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 23, 1999 (date).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, fee, or promise, from anyone that would constitute a violation of LSA-RS 42:1121-1126.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 5, 1993, under circumstances that would constitute a violation of LSA-RS 42:1118.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 28:2201-24) and the budget requirements of LSA-RS 28:42.

Yes  No  N/A

**Accounting and Reporting**

Louisiana Governmental Audit Guide

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:2, 44:21, and 44:28.

Yes  No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 53:463, and/or 58:92, as applicable.

Yes  No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:813.

Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VI, Section 8 of the 1874 Louisiana Constitution, Article VI, Section 23 of the 1874 Louisiana Constitution, and LSA-RS 47:1410.50.

Yes  No




**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VI, Section 14 of the 1874 Louisiana Constitution, LSA-RS 14:136, and AGC opinion 79-728.

Yes  No

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

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	6-25-98	Date
	Assistant Secretary	6/25/98	Date
	President	6/25/98	Date

Note-Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.