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WATERWORKS DISTRICT NO. 1 OF
CADD0 PARISH, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JULY 31, 1999

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

Release Date 2-9-00

WATERWORKS DISTRICT NO. 1 OF
CADD0 PARISH, LOUISIANA

General Purpose Financial Statements
For the Year Ended July 31, 1999

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Penn & Smith

CERTIFIED PUBLIC ACCOUNTANTS
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October 15, 1999

Board of Commissioners
Waterworks District No. 1
of Caddo Parish, Louisiana
Oil City, Louisiana

We have compiled the accompanying general purpose financial statements of the Waterworks District No. 1 of Caddo Parish, Louisiana, as of and for the year ended July 31, 1999, as listed in the table of contents, 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 information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and Statement on Standards for Attestation Engagements issued by the American Institute of Certified Public Accountants, we have also issued our report, dated October 15, 1999, on applying agreed upon procedures relating to the assertions contained in the Louisiana Attestation Questionnaire.

The additional information listed as Exhibits A and B in the table of contents is presented for purposes of additional information and is not a required part of the financial statements of the Waterworks District No. 1 of Caddo Parish, Louisiana. The information in these schedules has been subjected to the same procedures applied in the compilation of the general purpose financial statements.



Penn & Smith
Certified Public Accountants

WATERWORKS DISTRICT NO. 1 OF
CADD0 PARISH, LOUISIANABalance Sheet
July 31, 1994ASSETS

Current Assets:

Cash	\$ 195,278
Accounts receivable	17,674
Accrued interest receivable	7,363
Prepaid expenses	<u>10,625</u>

Total current assets	230,940
----------------------	---------

Restricted Assets:

Cash	180,083
Investments, at cost	<u>35,400</u>

Total restricted assets	215,483
-------------------------	---------

Fixed Assets:

Property, plant and equipment	1,429,801
Less: accumulated depreciation	<u>1,070,682</u>

Net fixed assets	<u>359,119</u>
------------------	----------------

Total assets	<u>\$ 805,542</u>
--------------	-------------------

See accompanying notes and accountants' compilation report.

LIABILITIES AND EQUITY

Liabilities:

Current Liabilities (payable from
current assets):

Accounts payable	\$ 6,428
Taxes payable	<u>671</u>

Total current liabilities (payable from current assets)	7,099
--	-------

Current Liabilities (payable from
restricted assets):

Customer deposits	42,655
Accrued interest payable	3,702
Current maturities of long term debt	<u>16,000</u>

Total current liabilities (payable from restricted assets)	62,357
---	--------

Long-Term Liabilities (net of current
portion):

Notes payable	<u>194,000</u>
---------------	----------------

Total liabilities	263,456
-------------------	---------

Equity:

Retained Earnings:

Unreserved	<u>542,086</u>
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Total equity	<u>542,086</u>
--------------	----------------

Total liabilities and equity	<u>\$ 805,542</u>
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See accompanying notes and accountants' compilation report.

WATERWORKS DISTRICT NO. 1 OF
CADDO PARISH, LOUISIANAStatement of Revenues, Expenses and Changes in Retained Earnings
For the Year ended July 31, 1999

Operating Revenues:

Water sales	\$ 207,717
Sewer collection fees	5,400
Connection fees	1,366
Service charges	14,550
Fire hydrant rental	1,200
Miscellaneous	1,105
Fines	272
Penalties	<u>7,708</u>

Total operating revenues 239,318

Operating Expenses:

Lab fees	165
Bad debts	197
Certification	235
Chemicals	51,921
Commissioners expense	4,680
Depreciation	42,523
Distribution system	10,476
Equipment repair	671
Gas, oil, diesel	2,793
Insurance	14,275
Legal and accounting	3,872
Miscellaneous	1,963
Office	3,215
Payroll taxes	7,277
Plant Maintenance	2,917
Tools and supplies	2,732
Truck and backhoe	2,888
Utilities	12,375
Uniforms	1,598
Sludge removal	1,897
Wages	<u>95,139</u>

Total operating expenses 263,809

Net income from operations (24,491)

(continued)

WATERWORKS DISTRICT NO. 1 OF
CADD0 PARISH, LOUISIANA

Statement of Revenues, Expenses and Changes in Retained Earnings
For the Year Ended July 31, 1999

Nonoperating Revenues (Expenses):	
Ad Valorem taxes	11,985
Revenue sharing	676
Interest income	21,653
Interest expense	<u>(9,349)</u>
Total nonoperating revenues (expenses)	<u>24,965</u>
Net income (loss)	474
Retained earnings at beginning of year	<u>541,612</u>
Retained earnings at end of year	<u>\$542,086</u>

See accompanying notes and accountants' compilation report.

WATERWORKS DISTRICT NO. 1 OF
CADD0 PARISH, LOUISIANA

Statement of Cash Flows
For the Year Ended July, 31, 1999

Cash Flows from Operating Activities:	
Cash received from customers	\$ 216,933
Cash paid to suppliers for goods and services	(136,462)
Cash payments to employees for services	(95,139)
Other operating revenues	<u>31,601</u>
Net cash provided by operating activities	16,933
Cash Flows from Non-capital Financing Activities:	
Ad valorem taxes received	11,985
Revenue sharing	<u>676</u>
Net cash provided by non-capital financing activities	12,661
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(94,825)
Proceeds from Certificate of Indebtedness	210,000
Interest expense	<u>(9,349)</u>
Net cash provided by capital and related financing activities	105,826
Cash Flows from Investing Activities:	
Interest on investments	<u>21,653</u>
Net cash provided by investing activities	<u>21,653</u>
Net increase in cash	157,073
Cash at beginning of year (including \$ 42,830 in restricted accounts)	<u>253,688</u>
Cash at end of year (including \$ 215,483 in restricted accounts)	<u><u>\$ 410,761</u></u>

(continued)

WATERWORKS DISTRICT NO. 1 OF
CADD O PARISH, LOUISIANA

Statement of Cash Flows
For the Year Ended July, 31, 1999

Reconciliation of Operating Income to Net Cash
Provided by Operating Activities

Operating income	\$ (24,491)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation expense	42,523
Changes in Assets and Liabilities:	
Decrease in accounts receivable	9,216
(Increase) in accrued interest receivable	(7,363)
(Increase) in prepaid insurance	(3,798)
(Decrease) in accounts payable	(2,382)
(Decrease) in taxes payable	(299)
(Decrease) in customers' deposits	(175)
Increase in accrued interest payable	<u>3,702</u>
Total adjustments	<u>41,424</u>
Net cash provided by operating activities	<u>\$ 16,933</u>

See accompanying notes and accountants' compilation report.

WATERWORKS DISTRICT NO. 1 OF
CADDO PARISH, LOUISIANA

Notes to Financial Statements
As of and for the year ended July 31, 1999

Introduction:

The Waterworks District No. 1 of Caddo Parish, Louisiana (District) was established by the Caddo Parish Police Jury (Caddo Parish Commission) in 1948. The District is considered a special-purpose government and is fiscally independent of the Caddo Parish Commission. Although the Caddo Parish Commission, as elected officials, appoint six (6) of the eight (8) board members, the Caddo Parish Commission is not financially accountable for the District because their appointment authority is not substantive and the Caddo Parish Commission does not have the ability to impose its will on the District. Therefore, the District is not considered a component unit of the Caddo Parish Commission.

The District provides water service to approximately 800 customers in the Oil City, Louisiana area and also collects sewer service charges for the Town of Oil City, Louisiana. The District owns and operates approximately 120,000 linear feet of water lines and a treatment plant.

The District has eight (8) Board members and they are compensated on a per diem basis.

The District has five employees.

1. Summary of Significant Accounting Policies:

A. Basis of presentation:

The accompanying general purpose financial statements of the 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. Reporting entity:

The District is the basic level of government which has financial accountability and control over all activities related to the District operations and services provided. The District is not included in

WATERWORKS DISTRICT NO 1 OF
CADD0 PARISH, LOUISIANA

Notes to Financial Statements (continued)
As of and for the year ending July 31, 1999

any other governmental "reporting entity" as defined by GASB pronouncements. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14 which are included in the District's reporting entity.

C. Fund accounting:

The District uses funds to report on its' financial position and the results of its' operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The Waterworks District No. 1 of Caddo Parish, Louisiana is accounted for using a proprietary fund. Proprietary funds are used to account for activities similar to those found in the private sector, where (a) the intent is that costs, including depreciation, of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, and (b) the determination of net income is necessary or useful to sound financial administration.

D. Basis of accounting:

Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the balance sheet.

E. Budgets:

Budgets are included in these financial statements for informational purposes as a management tool and are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

F. Bad debts:

Uncollectible amounts due from customers' receivables are charged against earnings at the time information becomes

WATERWORKS DISTRICT NO 1 OF
CADD0 PARISH, LOUISIANA

Notes to Financial Statements (continued)
As of and for the year ending July 31, 1999

available which indicates the particular account is uncollectible. Although this method does not conform to generally accepted accounting principles, the amounts charged do not materially differ from those determined under generally accepted accounting principles.

G. Compensated absences:

Vacation policy of two weeks per year does not accrue, therefore, no liability for compensated absences exists.

H. Restricted assets:

Restricted assets are comprised of the following three categories:

Cash in the meter deposit fund checking account and in the meter deposit fund certificate of deposit. The total amount to secure the meter deposits at July 31, 1999 is \$ 42,655.

Cash in an interest bearing checking account specifically designated for plant renovations to be completed in the upcoming fiscal year. These funds were generated by the issuance of a Certificate of Indebtedness dated October 7, 1998 in the amount of \$ 210,000 (See Note). Remaining funds available for plant renovations at July 31, 1999 are \$ 155,437.

Cash in a checking account for purposes of debt service as prescribed by a Certificate of Indebtedness dated October 7, 1998 in the amount of \$ 210,000 (See Note). The total amount restricted for debt service at July 31, 1999 is \$ 17,391.

I. Fixed assets:

Fixed assets are stated at cost, and depreciation is provided in an amount sufficient to relate that cost to operations over the estimated service life.

WATERWORKS DISTRICT NO 1 OF
CADD0 PARISH, LOUISIANA

Notes to Financial Statements (continued)
As of and for the year ending July 31, 1999

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related fixed assets, as applicable.

2. Cash:

Cash consists of amounts in demand deposits and interest-bearing checking accounts. All of these amounts are secured by federal depository insurance.

3. Investments:

Investments consist of certificates of deposit in various banks and are stated at cost, all of which are secured by federal depository insurance.

4. Ad Valorem Taxes:

Taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District on real and business personal property located within its boundaries. The taxes are levied on property values assessed by the Caddo Parish Tax Assessor and approved by the State of Louisiana Tax Commission. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year 1999, 5.79 mills were levied on property for the operation and maintenance of the water system.

5. Fixed Assets

The following is a summary of changes in fixed assets during the fiscal year:

	Balance July 31, 1998	Add	Delete	Balance July 31, 1999
Land	5,000			5,000
Buildings	816,686	61,393		878,079
Equipment	<u>513,290</u>	<u>33,432</u>	<u>-0-</u>	<u>546,722</u>
Totals	<u>1,334,976</u>	<u>94,825</u>	<u>-0-</u>	<u>1,429,801</u>

WATERWORKS DISTRICT NO 1 OF
CADD0 PARISH, LOUISIANA

Notes to Financial Statements (continued)
As of and for the year ending July 31, 1999

Fixed assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended July 31, 1999 was \$ 42,523.

6. Long Term Debt

A Certificate of Indebtedness dated October 7, 1998 for the specific purpose of plant improvements in the amount of \$ 210,000. Interest accrues at a rate of 5.5% and is payable semi-annually.

Principal maturities over the next five years are as follows:

Year Ended	Maturities
07-31-00	\$ 16,000
07-31-01	17,000
07-31-02	18,000
07-31-03	19,000
07-31-04	20,000
Thereafter	120,000

Penn & Smith

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October 15, 1999

Board of Commissioners
Waterworks District No. 1
of Caddo Parish, Louisiana
Oil City, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Waterworks District No. 1 of Caddo Parish, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Waterworks District No. 1 of Caddo Parish, Louisiana's compliance with certain laws and regulations during the year ended July 31, 1999, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with the standards established by the American Institute of Certified Public accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, We make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

We examined documentation for expenditures made during the year for materials and supplies exceeding \$5,000 and no expenditures were made for public works exceeding \$50,000.

The documentation examined did disclose the purchase of a piece of equipment in the amount of \$ 29,795 which was in violation of LSA-RS 38:2211-2251. While the District did obtain bids for the equipment and the appropriate bid was accepted, the District failed to advertize the request for bid as required due to a misunderstanding of the law.

MANAGEMENT'S CORRECTIVE ACTION PLAN

The Board has been informed of the specific requirements of LSA-RS 38:2211-2251 and stated that any future purchases will be made in strict conformity with the public bid law.

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 in LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

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

Management provided us with the requested list.

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

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

Budgeting

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

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

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

We traced the adoption of the original budget to the minutes of a meeting held on August 18, 1998, where the budget was unanimously adopted. All amendments were traced to the 1998/99 minutes records.

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

We compared the revenues and expenses of the final budget to actual revenues and expenses. Variations were explainable with the exception of depreciation expense and interest expense which did exceed the budgeted amount by more than 5%.

MANAGEMENT'S CORRECTIVE ACTION PLAN

The Board stated that future budgets will provide for a larger depreciation amount comparable to the actual charge and that interest expense would be budgeted in accordance with the Certificate of Indebtedness.

Accounting and Reporting

8. Randomly select 20 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 twenty selected disbursements and found that payment was for the proper amount and made to the correct payee.

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

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

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

Inspection of documentation supporting each of the twenty selected disbursements indicated approvals from the Board. In addition, each of the disbursements were traced to the minute book where they were reviewed and approved for payment by the full board.

Meetings

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

Management has asserted that such documents were properly posted on the door of the District's office building. We reviewed approved, dated documentation to support the assertions by management.

Debt

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

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness with the exception of a Certificate of Indebtedness dated October 8, 1998 in the amount of \$ 210,000 which was approved by the Board and the Louisiana State Bond Commission.

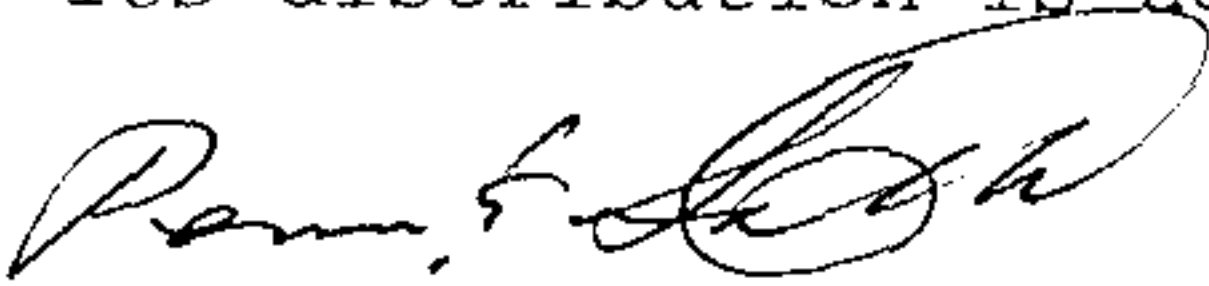
Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, 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 intended solely for the use of management of the Waterworks District No. 1 of Caddo Parish, Louisiana, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Penn & Smith
Certified Public Accountants

ADDITIONAL INFORMATION

WATERWORKS DISTRICT NO. 1 OF
CADD0 PARISH, LOUISIANA

Statement of Revenues, Expenses and Changes in
Retained Earnings - Budget and Actual
Year Ended July 31, 9999
With Comparative Amounts as of July 31, 1998

	<u>1999</u>			<u>1998</u>
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Operating Revenues:				
Water sales	218,000	207,717	(10,283)	221,669
Sewer collections	5,400	5,400	-0-	5,400
Connection fees	2,800	1,366	(1,434)	2,925
Service charges	14,000	14,550	550	14,088
Fire hydrant rental	1,200	1,200	-0-	1,200
Miscellaneous income	-0-	1,105	1,105	2,980
Fines	270	272	2	269
Penalties	<u>7,000</u>	<u>7,708</u>	<u>708</u>	<u>7,001</u>
Total operating revenues	248,670	239,318	(9,352)	255,532
Operating Expenses:				
Lab fees	250	165	85	175
Bad debts	-0-	197	(197)	101
Certification	275	235	40	240
Chemicals	48,145	51,921	(3,776)	40,980
Commissioners expense	4,700	4,680	20	4,410
Depreciation	34,000	42,523	(8,523)	68,103
Distribution system	12,000	10,476	1,524	7,702
Equipment repair	1,300	671	629	1,640
Gas, oil and diesel	2,725	2,793	(68)	2,440
Insurance	16,000	14,275	1,725	13,513
Legal and accounting	3,500	3,872	(372)	4,381
Miscellaneous	3,800	1,963	1,837	4,033
Office	3,300	3,215	85	3,132
Payroll taxes	7,300	7,277	23	6,379
Plant maintenance	3,000	2,917	83	15,262
Tools and supplies	3,000	2,732	268	3,531
Truck and backhoe	4,300	2,888	1,412	6,847
Utilities	12,250	12,375	(125)	13,708
Wages	88,000	95,139	(7,139)	83,042
Consulting Fees	-0-	-0-	-0-	385

WATERWORKS DISTRICT NO. 1 OF
CADD0 PARISH, LOUISIANA

Statement of Revenues, Expenses and Charges in
Retained Earnings - Budget and Actual
Year Ended July 31, 1999
With Comparative Amounts as of July 31, 1998

	<u>1999</u>			<u>1998</u>
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Uniforms	-0-	1,598	(1,598)	-0-
Permits	155	-0-	155	-0-
Sludge	<u>2,000</u>	<u>1,897</u>	<u>103</u>	<u>1,344</u>
Total operating expenses	<u>250,000</u>	<u>263,809</u>	<u>(13,809)</u>	<u>281,348</u>
Net income from operations	(1,330)	(24,491)	(23,161)	(25,816)
Nonoperating Revenues (Expenses):				
Ad valorem taxes	15,000	11,985	(3,015)	15,528
Revenue sharing	700	676	(24)	683
Interest income	5,200	21,653	16,453	8,068
Interest expense	<u>-0-</u>	<u>(9,349)</u>	<u>(9,349)</u>	<u>-0-</u>
Total nonoperating revenues (expenses)	<u>20,900</u>	<u>24,965</u>	<u>4,065</u>	<u>24,279</u>
Net income (loss)	19,570	474	(19,096)	(1,537)
Retained earnings at beginning of year	<u>541,612</u>	<u>541,612</u>	<u>-0-</u>	<u>543,149</u>
Retained earnings at end of year	<u>561,185</u>	<u>542,086</u>	<u>(19,096)</u>	<u>541,612</u>

Exhibit B

WATERWORKS DISTRICT NO. 1 OF
CADDO PARISH, LOUISIANASchedule of Per Diem of Commissioners
Year ended July 31, 1999

Name	No. of days	Amount
Clara Norris	13	\$ 780
Prisilla T. Weaver	6	300
J. M Tolbert	13	650
Virginia Sims	12	600
Charles R. Hensley	13	650
Hancell H. Dickey	11	550
Robert J. Allborty	10	500
Garry Hopkins	11	550
Donald Rodgers	2	<u>100</u>
		<u>\$4,680</u>

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

(Date Transmitted)

Penn & Smith, CPA's

151 Freestate, Ste B

Shreveport, LA 71101

(Auditors)

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

These representations are based on the information available to us as of July 31, 1999
(date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

Meetings

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

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

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

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

Charles H. Hensley Secretary 9-21-99 Date

Clara B. Davis President 9-21-99 Date