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TOWN OF MANGHAM, LOUISIANA  
STATE OF LOUISIANA

Financial Reports  
June 30, 1999

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

Release Date DEC 01 1999

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# TOWN OF MANGHAM, LOUISIANA

## General Purpose Financial Statements As of and for the Year Ended June 30, 1999 With Supplemental Information Schedules

### CONTENTS

	Statement	Page
Independent Accountant's Report		3
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units	A	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances/Equity - Governmental Funds - Primary Government	B	5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual Governmental Funds - Primary Government:		
General and Special Revenue Funds	C	6
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balances - Proprietary and Discretely Presented Component Units	D	7
Combined Statement of Cash Flows - Proprietary and Discretely Presented Component Units	E	8
Notes to the Financial Statements		9
Supplemental Information Schedules:		
Primary Government:		
Special Revenue Funds:		
Balance Sheet	1	24

TOWN OF MANGHAM, LOUISIANA  
Contents, June 30, 1999

CONTENTS (CONT.)

	Schedule	Page
Schedule of Revenues, Expenditures, and Changes in Fund Balances	2	25
Schedule of Compensation Paid Board Members	3	27
Summary Schedule of Prior Audit Findings	4	28
Corrective Action Plan for Current Year Audit Findings	5	29
Independent Accountant's Report on Applying Agreed-Upon Procedures		30
Louisiana Attestation Questionnaire (Prepared by Client)		



KAREN M. HOLLIS

CERTIFIED PUBLIC ACCOUNTANT

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Accountant's Report

Honorable Mayor and  
Members of the City Council  
Town of Mangham, Louisiana

I have compiled the accompanying combined financial statements of the Town of Mangham, Louisiana, as of and for the year ended June 30, 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. I did not compile the financial statements of the Sewerage District No. 1 of the Town of Mangham, a component unit, whose statements reflect total assets and revenues constituting 24% and 4%, respectively, of the related combined totals. These statements were audited by other auditors whose report thereon has been furnished to me, and the results of my compilation expressed herein, insofar as it relates to the amount included for the Sewerage District No. 1, is based solely upon the report of the other auditors.

A compilation is limited to presenting in the form of financial statements information that is the representations of management. I 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 the provisions of state law, I have issued a report, dated October 4, 1999, on the results of my agreed upon procedures.

Rayville, Louisiana  
October 4, 1999

TOWN OF MANGHAM, LOUISIANA  
 ALL FUND TYPES, ACCOUNT GROUPS, AND  
 DISCRETELY PRESENTED COMPONENT UNITS

Combined Balance Sheet, June 30, 1999

	GOVERNMENTAL FUNDS		PROPRIETARY FUNDS		ACCOUNT GROUPS		PRIMARY GOVERNMENT - TOTAL (MEMORANDUM ONLY)	COMPONENT UNIT - PROPRIETARY FUNDS	REPORTING ENTITY - TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	ENTERPRISE FUND	GENERAL	FIXED ASSETS	LONG-TERM OBLIGATIONS			
<b>ASSETS AND OTHER DEBITS</b>									
<b>Assets:</b>									
Cash and cash equivalents	\$159,599	\$31,894	\$106,686	\$			\$298,179	\$34,489	\$332,645
Restricted cash and interest	4,773						4,773	50,331	55,104
Receivables (net of allowances for uncollectibles)	12,833		7,345				20,178	1,220	21,398
Due from General Fund		63,549	58,842				122,391		122,391
Due from component unit-Sewer	95,170						95,170		95,170
Prepaid insurance							0	291	291
Accrued interest	332	715	147				1,194	440	1,194
Restricted accrued interest							0		440
Land, buildings, and equipment (net, where applicable, of accumulated depreciation)			44,835	194,786			239,621	148,495	388,116
Other Debits:									
Amount to be provided for retirement of general long-term obligations							0		0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$272,707</b>	<b>\$96,158</b>	<b>\$217,855</b>	<b>\$194,786</b>	<b>\$0</b>	<b>\$0</b>	<b>\$781,506</b>	<b>\$235,243</b>	<b>\$1,016,749</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>									
<b>Liabilities</b>									
Accounts, salaries, and other payables	\$4,504		\$1,820				\$6,324	\$329	\$6,653
Sales Tax Payable			174				174		174
Restricted accrued interest							0	1,478	1,478
Due to Sales Tax Fund	63,549						63,549		63,549
Due to Water	58,842						58,842		58,842
Customer Deposits			9,905				9,905		9,905
Due to General Fund							0	95,170	95,170
Other liabilities									
Notes payable							0	7,046	7,046
Long-term notes payable							0	75,604	75,604
Total Liabilities	126,895	0	11,899	0	0	0	138,794	178,627	318,421
Equity and Other Credits									
Contributed capital			53,000				53,000		53,000
Investment in general fixed assets				194,786			194,786		194,786
Retained earnings			152,956				152,956	55,616	208,572
Fund balances:							0		0
Reserved							0		0
Unreserved							0		0
Undesignated	145,812	96,158					241,970		241,970
Total Equity and Other Credits	145,812	96,158	205,956	194,786	0	0	642,712	55,616	698,328
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>\$272,707</b>	<b>\$96,158</b>	<b>\$217,855</b>	<b>\$194,786</b>	<b>\$0</b>	<b>\$0</b>	<b>\$781,506</b>	<b>\$235,243</b>	<b>\$1,016,749</b>

The accompanying notes are an integral part of this statement.  
 See the accountant's report.

**TOWN OF MANGHAM, LOUISIANA  
GOVERNMENTAL FUNDS - PRIMARY GOVERNMENT  
GENERAL AND SPECIAL REVENUE FUNDS**

**Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances/Equity  
For the Year Ended June 30, 1999**

	GOVERNMENTAL FUNDS		PRIMARY GOVERNMENT -
	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL (MEMORANDUM ONLY)
<b>REVENUES</b>			
Taxes:			
Ad valorem	\$12,413	\$	\$12,413
Sales and use		41,797	41,797
Other taxes, penalties, interest, etc.	31,613		31,613
Licenses and permits	20,966		20,966
Grants	21,000		21,000
Fees, charges, and commissions for services	21,736		21,736
Fines and forfeitures	88,143		88,143
Use of money and property	4,300	3,507	7,807
Other revenues	8,058		8,058
Total revenues	<u>208,229</u>	<u>45,304</u>	<u>253,533</u>
<b>EXPENDITURES</b>			
General government	79,824	571	80,395
Public safety	87,936		87,936
Public works	47,614		47,614
Debt service	3,029		3,029
Capital outlay	20,939	61,193	82,132
Total expenditures	<u>239,342</u>	<u>61,764</u>	<u>301,106</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>(31,113)</u>	<u>(16,460)</u>	<u>(47,573)</u>
<b>FUND BALANCES (Deficit) AT BEGINNING OF YEAR</b>	<u>176,925</u>	<u>112,618</u>	<u>289,543</u>
<b>FUND BALANCES (Deficit) AT END OF YEAR</b>	<u>\$145,812</u>	<u>\$96,158</u>	<u>\$241,970</u>

The accompanying notes are an integral part of this statement.  
See the accountant's report.

TOWN OF MANGHAM, LOUISIANA  
GOVERNMENTAL FUNDS - PRIMARY GOVERNMENT  
GENERAL AND SPECIAL REVENUE FUNDS

Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Budget  
(GAAP Basis) and Actual  
For the Year Ended June 30, 1999

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>						
Taxes:						
Ad valorem	\$12,400	\$12,413	\$13	\$	\$	\$
Sales and use				39,000	41,797	2,797
Other taxes, penalties, interest, etc.	31,600	31,613	13			
Licenses and permits	20,700	20,966	266			
Grants	0	21,000	21,000			
Fees, charges, and commissions for services	18,670	21,736	3,066			
Fines and forfeitures	80,000	88,143	8,143			
Use of money and property	4,000	4,300	300	0	3,507	3,507
Other revenues	2,801	8,058	5,257			
Total revenues	<u>170,171</u>	<u>208,229</u>	<u>38,058</u>	<u>39,000</u>	<u>45,304</u>	<u>6,304</u>
<b>EXPENDITURES</b>						
General government	74,000	79,824	(5,824)	600	571	29
Public safety	84,000	87,936	(3,936)			
Public works	44,200	47,614	(3,414)			
Debt service	3,000	3,029	(29)			
Capital outlay	20,000	20,939	(939)	55,400	61,193	(5,793)
Total expenditures	<u>225,200</u>	<u>239,342</u>	<u>(14,142)</u>	<u>56,000</u>	<u>61,764</u>	<u>(5,764)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>(55,029)</b>	<b>(31,113)</b>	<b>23,916</b>	<b>(17,000)</b>	<b>(16,460)</b>	<b>540</b>
<b>FUND BALANCES (Deficit) AT BEGINNING OF YEAR</b>	<b>176,925</b>	<b>176,925</b>	<b>0</b>	<b>112,618</b>	<b>112,618</b>	<b>0</b>
<b>FUND BALANCES (Deficit) AT END OF YEAR</b>	<b><u>\$121,896</u></b>	<b><u>\$145,812</u></b>	<b><u>\$23,916</u></b>	<b><u>\$95,618</u></b>	<b><u>\$96,158</u></b>	<b><u>\$540</u></b>

The accompanying notes are an integral part of this statement.  
See the accountant's report.

**TOWN OF MANGHAM, LOUISIANA  
PROPRIETARY AND DISCRETELY PRESENTED  
COMPONENT UNITS**

**Combined Statement of Revenues, Expenses, and  
Changes in Retained Earnings/Fund Balances  
For the Year Ended June 30, 1999**

	PROPRIETARY FUNDS	PRIMARY GOVERNMENT - TOTAL		REPORTING ENTITY - TOTAL
	ENTERPRISE FUND	(MEMORANDUM ONLY)	COMPONENT UNITS	(MEMORANDUM ONLY)
<b>OPERATING REVENUES</b>				
Charges for sales/service	\$65,344	\$65,344	\$10,644	\$75,988
Other operating revenue	719	\$719	375	1,094
<b>Total operating revenues</b>	<u>66,063</u>	<u>66,063</u>	<u>11,019</u>	<u>77,082</u>
<b>OPERATING EXPENSES</b>				
Accounting			2,100	2,100
Contract labor	1,409	1,409		1,409
Gas, fuel and oil	2,374	2,374		2,374
Insurance	760	760	676	1,436
Office expense	1,550	1,550		1,550
Repairs and maintenance	26,891	26,891	4,063	30,954
Retirement			553	553
Salaries			14,760	14,760
Supplies	7,690	7,690		7,690
Taxes	2,406	2,406	1,229	3,635
Training	660	660		660
Utilities	4,195	4,195	3,246	7,441
Uncollectible Charges	838	838	153	991
Depreciation	6,251	6,251	10,326	16,577
<b>Total operating expenses</b>	<u>55,024</u>	<u>55,024</u>	<u>37,106</u>	<u>92,130</u>
<b>OPERATING INCOME (Loss)</b>	<u>11,039</u>	<u>11,039</u>	<u>(26,087)</u>	<u>(15,048)</u>
<b>NONOPERATING REVENUES (Expenses)</b>				
Taxes	4,129	4,129	20,630	24,759
Interest	1,338	1,338	1,623	2,961
Interest expense			(4,279)	(4,279)
<b>Total nonoperating revenues (expenses)</b>	<u>5,467</u>	<u>5,467</u>	<u>17,974</u>	<u>23,441</u>
<b>NET INCOME (Loss)</b>	16,506	16,506	(8,113)	8,393
<b>RETAINED EARNINGS/FUND BALANCES AT BEGINNING OF YEAR</b>	<u>136,450</u>	<u>136,450</u>	<u>63,729</u>	<u>200,179</u>
<b>RETAINED EARNINGS/FUND BALANCES AT END OF YEAR</b>	<u>\$152,956</u>	<u>\$152,956</u>	<u>\$55,616</u>	<u>\$208,572</u>

The accompanying notes are an integral part of this statement.  
See the accountant's report.



TOWN OF MANGHAM, LOUISIANA  
 PROPRIETARY AND DISCRETELY PRESENTED  
 COMPONENT UNITS

Combined Statement of Cash Flows  
 For the Year Ended June 30, 1999

	PROPRIETARY FUNDS	PRIMARY GOVERNMENT - TOTAL		REPORTING ENTITY - TOTAL
	ENTERPRISE FUND	(MEMORANDUM ONLY)	COMPONENT UNITS	(MEMORANDUM ONLY)
Cash flows from operating activities:				
Operating income	\$11,039	\$11,039	(\$26,087)	(\$15,048)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	6,251	6,251	10,326	16,577
(Increase) Decrease in receivables	(897)	(897)	(102)	(999)
(Increase) Decrease in prepaid expenses			(14)	(14)
(Increase) Decrease in accrued interest receivable	(147)		95	95
(Increase) Decrease in due from general fund	(10,000)	(10,000)		(10,000)
Increase (Decrease) in accounts payable	1,479	1,479	(179)	1,300
Increase (Decrease) in due to general fund			18,770	18,770
Increase (Decrease) in accrued interest payable			(272)	(272)
Total adjustments	<u>(3,314)</u>	<u>(3,167)</u>	<u>28,624</u>	<u>25,457</u>
Net cash provided (used) by operating activities	<u>7,725</u>	<u>7,872</u>	<u>2,537</u>	<u>10,409</u>
Cash flows from non-capital financing activities:				
Tax revenues	4,129	4,129	20,630	24,759
Grants				
Net cash provided by non-capital financing activities	<u>4,129</u>	<u>4,129</u>	<u>20,630</u>	<u>24,759</u>
Cash flows from capital and related financing activities:				
Interest paid on notes			(4,279)	(4,279)
Repayment of notes payable			(6,827)	(6,827)
Acquisition/construction of capital assets	(7,100)	(7,100)		(7,100)
Net cash used by capital and related financing activities	<u>(7,100)</u>	<u>(7,100)</u>	<u>(11,106)</u>	<u>(18,206)</u>
Cash flows from investing activities:				
Interest income	1,338	1,338	1,623	2,961
Net cash provided by investment activities	<u>1,338</u>	<u>1,338</u>	<u>1,623</u>	<u>2,961</u>
Net increase (decrease) in cash	6,092	6,092	13,684	19,776
Cash at beginning of year	100,594	100,594	71,113	171,707
Cash at end of year	<u>\$106,686</u>	<u>\$106,686</u>	<u>\$84,797</u>	<u>\$191,483</u>

The accompanying notes are an integral part of this statement.  
 See the accountant's report.

## TOWN OF MANGHAM, LOUISIANA

### Notes to the Financial Statements As of and for the Year Ended June 30, 1999

#### INTRODUCTION

The Town of Mangham, Louisiana was incorporated March 4, 1907, under the provisions of the Lawrason Act. The Town operates under a Board of Aldermen-Mayor form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, public improvements and general administrative services. The Town has a population of approximately 650 people and employs seven people excluding the mayor and the five aldermen.

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. BASIS OF PRESENTATION

The accompanying financial statements of the Town of Mangham 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

As the municipal governing authority, for reporting purposes, the Town of Mangham is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Town of Mangham for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.

TOWN OF MANGHAM, LOUISIANA  
State of Louisiana  
Notes to the Financial Statements (Continued)

2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Town of Mangham (the primary government) and its component units. The component units included in the accompanying financial statements are either blended with the municipality funds or discretely presented.

#### **Blended Component Units**

Component units that are legally separate from the municipality, but are so intertwined with the municipality that they are, in substance, the same as the municipality are blended component units. For a component unit to be blended, the organization's board and the municipality must be substantively the same, or the organization must provide services entirely or almost entirely to the municipality. The Town has no blended component units.

#### **Discretely Presented Component Units**

Component units that are legally separate from the municipality, but are financially accountable to the municipality, or whose relationship with the municipality are such that exclusion would cause the municipality's financial statements to be misleading or incomplete are discretely presented. The *Component Units* column of the combined financial statements include the financial data of these discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the municipality.

The following component units are discretely presented in the accompanying financial statements:

The Town of Mangham has one component unit, Sewerage District No. 1 of the Town of Mangham. The District provides sewer disposal to the residents of Mangham. It has a June 30 year end and is included in these financial statements. A copy of the District's financial statements may be obtained from the Town of Mangham.

#### **C. FUND ACCOUNTING**

The municipality uses funds and account groups 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 relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the municipality are classified into two categories: governmental, and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

### **Governmental Funds**

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. General Fund--the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

### **Proprietary Funds**

Proprietary funds are 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. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

1. Enterprise funds--account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

## **D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this

**TOWN OF MANGHAM, LOUISIANA**  
State of Louisiana  
Notes to the Financial Statements (Continued)

measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds, expendable trust funds, and agency funds. The governmental funds and expendable trust funds use the following practices in recording revenues and expenditures:

**Revenues**

Revenues are recognized when they are available and measurable.

**Expenditures**

Expenditures are recognized when incurred.

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses). These are recognized when received (expended).

All proprietary funds and non-expendable trust 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 on the balance sheet. The proprietary funds and non-expendable trust funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

**E. BUDGETS**

The primary government municipality uses the following budget practices:

Preliminary budgets for the ensuing fiscal year are prepared by the Town Clerk during May of each year. Prior to June 15, the Mayor submits to the Board of Aldermen, a proposed budget for the fiscal year commencing the following July 1. The availability of the proposed budget for public inspection and the date of the next meeting on the budget is then advertised in the official journal. The budget is then adopted during the meeting prior to June 30. All annual appropriations lapse at year end.

The budget comparison statements included in the accompanying financial statements reflects the original adopted budget as there were no amendments made. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statement in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

**F. ENCUMBRANCES**

The Town of Mangham nor its component unit use encumbrance accounting.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**H. SHORT-TERM INTERFUND  
RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables. Receivables and payables between the primary government and discretely presented component units are disclosed separately from interfund balances as due to/from component units.

**I. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are capitalized. Interest costs incurred during construction are not. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the following methods:

Structures and Sewer System	25 – 40 years straight line
Water System	25 – 40 years straight line
Other Equipment	5 - 10 years

**J. COMPENSATED ABSENCES**

Full time employees of the Town along with the component unit employee earn 5/6 working days per year of 30 days for each month worked for annual leave. Annual leave cannot be accumulated therefore no accrual has been made.

Employees can earn up to 15 days of sick leave each year. Employees are not paid for accumulated sick leave upon termination, therefore, no accrual has been made.

#### **K. LONG-TERM OBLIGATIONS**

For the primary government, long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. For the discretely presented governmental fund component units, long-term obligations are reported in the "Component Units Governmental Fund" column on Statement A. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

#### **L. FUND EQUITY**

##### ***Contributed Capital***

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

##### **Reserves**

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

##### **Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

#### **M. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the primary government are reported as operating transfers. Transfers between the primary government and discretely presented component units are disclosed separately from interfund transfers as transfers to/from component units.

TOWN OF MANGHAM, LOUISIANA  
 State of Louisiana  
 Notes to the Financial Statements (Continued)

**N. SALES TAXES**

The Town of Mangham collects a 1% sales tax which is not designated for a specific purpose at this time. The tax may be used for any expenditures necessary. The tax is due to expire in June, 2007.

**O. TOTAL COLUMNS ON COMBINED STATEMENTS**

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**2. LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes for the year:

	Primary Government			Component Units		
	Authorized Millage	Levied Millage	Expiration Date	Authorized Millage	Levied Millage	Expiration Date
Citywide taxes:						
General fund	7.3	7.3	2006			
Water Plant fund	3.12	3.12	2006			
Street Maintenance	2.08	2.08	2006			
Sewer Maintenance				5.15	5.15	2006
Sewer Distirct No. 1				10.44	10.44	2006

**3. CASH AND CASH EQUIVALENTS**

The following is a summary of cash and cash equivalents (book balances) at June 30, 1999:

	General Fund	Special Revenues	Proprietary Funds	Component Unit
Demand deposits	\$81,722	\$	\$55,494	\$34,466
Interest-bearing demand deposits	46,650			21,339
Time deposits	36,000	31,894	51,192	28,992
Total	<u>\$164,372</u>	<u>\$31,894</u>	<u>\$106,686</u>	<u>\$84,797</u>



**TOWN OF MANGHAM, LOUISIANA**  
 State of Louisiana  
 Notes to the Financial Statements (Continued)

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. These 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, 1999, the primary government has \$306,854 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$200,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

At June 30, 1999, the discretely presented component unit has \$85,283 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

**4. RECEIVABLES**

The following is a summary of receivables for June 30, 1999:

<u>Class of Receivable</u>	<u>Primary Government</u>		<u>Component Unit</u>
	<u>General Fund</u>	<u>Proprietary Funds</u>	<u>Proprietary Fund</u>
Taxes:			
Services	\$2,383	\$7,895	\$1,220
Other	10,450		
 Total	<u>\$12,833</u>	<u>\$7,895</u>	<u>\$1,220</u>

The Proprietary fund has an allowance account of \$550 and uses the direct write off method when an account is deemed uncollectible. The component unit has no allowance account.

**5. FIXED ASSETS**

The changes in general fixed assets follow:

TOWN OF MANGHAM, LOUISIANA  
 State of Louisiana  
 Notes to the Financial Statements (Continued)

	Primary Government			Balance 30-Jun 1999
	Balance 30-Jun 1998	Additions	Deductions	
Lots	\$16,250	\$	\$	\$16,250
Buildings & lots	50,000	75,000		125,000
Equipment and furniture	46,405	7,131		53,536
Total	<u>\$112,655</u>	<u>\$82,131</u>	<u>\$0</u>	<u>\$194,786</u>

A summary of proprietary property, plant, and equipment follows:

	Primary Government	Component Units
	Enterprise Funds	Enterprise Funds
Land	\$	\$2,950
Structures & Sewer system		369,170
Plant & Distribution system	90,234	
Furniture and equipment	3,025	
Vehicles	17,200	
Subtotal	<u>110,459</u>	<u>372,120</u>
Less accumulated depreciation	<u>(65,624)</u>	<u>(223,625)</u>
Total	<u>\$44,835</u>	<u>\$148,495</u>

An addition of \$7,100 was made in the Enterprise fund of the primary government and no disposals. No additions or disposals were made in the Component unit.

**6. PENSION PLAN**

Only two employees of the Town of Mangham, are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**A. Municipal Employees Retirement System of Louisiana (System)**

**TOWN OF MANGHAM, LOUISIANA**  
State of Louisiana  
Notes to the Financial Statements (Continued)

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. One employee of the municipality is a member of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

*Funding Policy.* Under Plan B, members are required by state statute to contribute 5.0% of their annual covered salary and the Town of Mangham is required to contribute at an actuarially determined rate. The current rate is 2.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Mangham are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Mangham's contributions to the System under Plan B for the years ending December 31, 1998, 1997, and 1996, were \$373, \$407, and \$464, respectively, equal to the required contributions for each year.

**B. Municipal Police Employees Retirement System of Louisiana (System)**

*Plan Description.* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after

**TOWN OF MANGHAM, LOUISIANA**  
State of Louisiana  
Notes to the Financial Statements (Continued)

age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

*Funding Policy.* Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town of Mangham is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the Town of Mangham are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Mangham's contributions to the System for the years ending December 31, 1998, 1997, and 1996, were \$2,214, \$2,067, and \$1,715, respectively, equal to the required contributions for each year.

**7. LEASES**

The primary government leases the fire station and equipment to the Mangham Fire Protection District for \$1 per year.

**8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended June 30, 1999:

**TOWN OF MANGHAM, LOUISIANA**  
 State of Louisiana  
 Notes to the Financial Statements (Continued)

	<u>Primary Government</u>	
	<u>Notes</u>	
	<u>Payable</u>	<u>Total</u>
Long-term obligations payable at June 30, 1998	\$3,028	\$3,028
Additions	0	0
Deductions	<u>(3,028)</u>	<u>(3,028)</u>
Long-term obligations payable at June 30, 1999	<u>\$0</u>	<u>\$0</u>

	<u>Component Units</u>	
	<u>Bonded</u>	
	<u>Debt</u>	<u>Total</u>
Long-term obligations payable at June 30, 1998	\$82,974	\$82,974
Additions	0	0
Deductions	<u>(7,370)</u>	<u>(7,370)</u>
Long-term obligations payable at June 30, 1999	<u>\$75,604</u>	<u>\$75,604</u>

The primary government notes payable has been paid in full. The component unit notes payable consists of two payments, one of \$2,659 and one of \$505 monthly. The notes are secured by a revenue note, two public improvement bonds, a ten acre tract of land and two parcels of land.

**9. INTERFUND ASSETS/LIABILITIES**

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit	General Fund	\$95,170
Special Revenues	General Fund	63,549
Water Fund	General Fund	58,842
Total		<u>\$217,561</u>

**10. LITIGATION AND CLAIMS**

The Town of Mangham is not aware of any lawsuits against it as of June 30, 1999.

**10. YEAR 2000 ISSUE**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the district's operations as early as fiscal year 1999.

Town of Mangham, Louisiana is aware of the potential problems of year 2000 and has inventoried all electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the Town's operations. As of June 30, 1999, the Town uses two computers with one printer and the only other electronic devices used are the radios. At this time a phone call to the radio provider will determine the next step if any to be required. The Town has upgraded both computers to be year 2000 compliant. The software used is also year 2000 compliant according to the manufacturer.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Town is or will be Year 2000 ready, that the Town's remediation efforts will be successful in whole or in part, or that parties with whom the Town does business will be year 2000 ready.

**PRIMARY GOVERNMENT  
SUPPLEMENTAL INFORMATION SCHEDULES**

**TOWN OF MANGHAM, LOUISIANA**  
**SUPPLEMENTAL INFORMATION SCHEDULES**  
**As of and for the Year Ended June 30, 1999**

**SPECIAL REVENUE FUNDS**

Sales Tax Fund—to account for the proceeds of the sales taxes received and the expenditures of those funds in accordance with the law.



**TOWN OF MANGHAM, LOUISIANA  
SPECIAL REVENUE FUNDS**

**Balance Sheet, June 30, 1999**

	<u>SALES TAX</u>	<u>TOTAL</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$31,894	\$31,894
Due from general fund	63,549	63,549
Accrued interest	715	715
	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u>\$96,158</u>	<u>\$96,158</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:	\$	\$
Fund Equity - fund balances:		
Unreserved - undesignated	96,158	96,158
Total Fund Equity	<u>96,158</u>	<u>96,158</u>
	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$96,158</u>	<u>\$96,158</u>

The accompanying notes are an integral part of this statement.  
See the accountant's report.

**TOWN OF MANGHAM, LOUISIANA  
SPECIAL REVENUE FUNDS**

**Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1999**

	<u>SALES TAX</u>	<u>TOTAL</u>
<b>REVENUES</b>		
Taxes:		
Sales and use	\$41,797	\$41,797
Use of money and property	3,507	3,507
Total revenues	<u>45,304</u>	<u>45,304</u>
<b>EXPENDITURES</b>		
General government:	571	571
Capital Outlay	61,193	61,193
Total expenditures	<u>61,764</u>	<u>61,764</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	(16,460)	(16,460)
<b>FUND BALANCES (Deficit) AT BEGINNING OF YEAR</b>	<u>112,618</u>	<u>112,618</u>
<b>FUND BALANCES (Deficit) AT END OF YEAR</b>	<u>\$96,158</u>	<u>\$96,158</u>

The accompanying notes are an integral part of this statement.  
See the accountant's report.

**TOWN OF MANGHAM, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES  
For the Year Ended June 30, 1999**

**COMPENSATION PAID BOARD MEMBERS**

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

**PRIOR AUDIT FINDINGS**

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 4).

**CURRENT AUDIT FINDINGS**

The corrective action plan for current year audit findings is presented in Schedule 5.

## TOWN OF MANGHAM, LOUISIANA

Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 1999

Board of Aldermen	AMOUNT
John Natt	\$260
Zona McKay	329
Royce Lowery	69
Gary Piro	312
Lucille Munyan	329
Perry Fleming	173
Total	<u>\$1,472</u>

The accompanying notes are an integral part of this statement.  
See the accountant's report.

TOWN OF MANGHAM, LOUISIANA

Summary Schedule of  
Prior Audit Findings  
For the Year Ended June 30, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
Section I - Internal Control Compliance Material to the Financial Statements:				
Section II - Internal Control Compliance Material to Federal Awards:				
Section III - Management Letter:				

There are no prior year findings that have not been corrected.

TOWN OF MANGHAM, LOUISIANA

Corrective Action Plan for  
Current Year Audit Findings  
For the Year Ended June 30, 1999

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Taken Planned</u>	<u>Name of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
Section I - Internal Control Compliance Material to the Financial Statements:				
Section II - Internal Control Compliance Material to Federal Awards:				
Section III - Management Letter-Agreed Upon Procedures Letter				
99-01	Expenditures exceeded budgeted in the general and special revenue funds	Adjust budget	Mildred Johns & Aldermen	06/30/2000



KAREN M. HOLLIS

CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 397  
611 Madeline Street  
Rayville, LA 71269  
Phone: (318) 728-6588

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Honorable Mayor and  
Board of Aldermen  
Town of Mangham, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Town of Mangham and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Town's compliance with certain laws and regulations during the year ended June 30, 1999 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I 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 \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made for materials and supplies exceeding \$15,000 or public works exceeding \$100,000.

*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 42:1101-1124 (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 me 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 me with the required list.

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

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

### *Budgeting*

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

Management provided me with a copy of the original budget and all amendments.

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

I traced the adoption of the original budget to the minutes of a meeting held on June 16, 1998 which indicated that the budget had been adopted by the aldermen of the Town of Mangham by a vote of all in favor and no opposed. I traced the adoption of the amendment to the budget to a meeting held on May 10, 1999 which indicated that the amendment had been adopted by a vote of all in favor and no opposed.

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

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures of the general fund exceeded budgeted amounts by 7% and actual expenditures of the special revenue fund exceeded budgeted amounts by 11%.

### *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;

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

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

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

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

Inspection of documentation supporting each of the six selected disbursements indicated approval from the town clerk. In addition, each of the disbursements were traced to the Town's minute book where they were approved by the aldermen.

### *Meetings*

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

Town of Mangham is only required to post a notice of each meeting and the accompanying agenda on the door of the Town's office building. Although management has asserted that such documents were properly posted, I could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

### *Debt*

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

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

### *Advances and Bonuses*




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

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

My prior year report, September 30, 1998, did not include any comments or unresolved matters.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Town of Mangham 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.



October 4, 1999  
Rayville, Louisiana

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

July 19, 1999 (Date Transmitted)

RAREN HOLLIS, CPA

(Auditors)

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

These representations are based on the information available to us as of (date 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.

<u>Mildred Johns</u>	Secretary	<u>7-19-99</u>	Date
<u>Mildred Johns</u>	Treasurer	<u>7-19-99</u>	Date
_____	President	_____	Date