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**TOWN OF TULLOS, LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 1998**

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 MAR 10 1999

1998-1999

**TOWN OF TULLOS, LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 1998**

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# WILLIAM D. EDWARDS

Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA / Society of LCPA'S

Mayor and Board of Aldermen  
Town of Tullos, Louisiana

I have compiled the accompanying general purpose financial statements of the Town of Tullos, Louisiana for the year ended June 30, 1998, 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 of Town of Tullos, Louisiana. 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.



William D. Edwards, CPA  
December 29, 1998

**TOWN OF TULLOS, LOUISIANA**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
June 30, 1998**

GOVERNMENTAL FUND TYPES

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Cash and Cash Equivalents	\$ 32,591	\$ 3,300	\$ -0-
Receivables	3,610		
Prepaid Expenses	9,061		
Due from Other - Governmental Units	5,340		
Interfund Receivables	18,987		
Property & Equipment (Net Accumulated Depreciation)			
Amount to be Provided for Retirement of General Long-Term Debt			
TOTAL	<u>\$ 69,589</u>	<u>\$ 3,300</u>	<u>\$ -0-</u>

See accompanying notes and accountant's compilation report.

ACCOUNT GROUPS

<u>Proprietary Fund</u>	<u>General Long Term Debt</u>	<u>Fixed Assets Group</u>	<u>Total (Memo Only)</u>
\$ 76,853	\$	\$	\$ 112,744
17,691			21,301
			9,061
			5,340
			18,987
1,249,062		149,222	1,398,284
	101,000		101,000
<u>\$ 1,343,606</u>	<u>\$ 101,000</u>	<u>\$ 149,222</u>	<u>\$ 1,666,717</u>

See accompanying notes and accountant's compilation report.

**TOWN OF TULLOS, LOUISIANA**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
June 30, 1998**

GOVERNMENTAL FUND TYPES

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Accounts Payable	\$ 2,282	\$	\$
Payroll Tax Liability	1,425		
Meter Deposits			
Interfund Payables			
General Long Term Debt			
Total Liabilities	<u>3,707</u>	<u>-0-</u>	<u></u>
Fund Equity			
Contributed Capital			
Retained Earnings			
Fund Balance - Unreserved	65,882		
Fund Balance - Reserved		3,300	
Total Equity	<u>65,882</u>	<u>3,300</u>	<u></u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><u>\$ 69,589</u></u>	<u><u>\$ 3,300</u></u>	<u><u>\$ -0-</u></u>

See accompanying notes and accountant's compilation report.



<u>Proprietary Fund</u>	<u>General Long Term Debt</u>	<u>Fixed Asset Group</u>	<u>Total (Memo Only)</u>
\$ 5,912	\$	\$	\$ 8,194
			1,425
11,011			11,011
18,987			18,987
	101,000		101,000
<u>35,910</u>	<u>101,000</u>	<u>0</u>	<u>140,617</u>
1,277,305		149,222	1,426,527
30,391			30,391
			65,882
			3,300
<u>1,307,696</u>	<u>0</u>	<u>149,222</u>	<u>1,526,100</u>
<u>\$ 1,343,606</u>	<u>\$ 101,000</u>	<u>\$ 149,222</u>	<u>\$ 1,666,717</u>

See accompanying notes and accountant's compilation report.

**TOWN OF TULLOS, LOUISIANA**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES**  
**ALL GOVERNMENTAL FUND TYPES**  
**YEAR ENDED JUNE 30, 1998**

	<u>General Fund</u>
<b>REVENUE</b>	
Ad Valorem Taxes	\$ 11,147
Occupational Licenses	14,131
Franchise Fees	8,621
Tobacco Taxes	2,309
Beer Taxes	3,365
Court Fines	12,585
Video Poker	19,676
Fire Assessment	22,562
Royalties	2,164
Miscellaneous	3,963
Interest	<u>1,922</u>
Total Revenue	102,445
<b>EXPENDITURES</b>	
General Government	49,555
Public Safety:	
Police	25,172
Fire	<u>16,132</u>
Total Expenses	<u>90,859</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	11,586
<b>TRANSFER TO DEBT SERVICE</b>	(12,989)
<b>FUND BALANCES, BEGINNING</b>	<u>67,285</u>
<b>FUND BALANCES, ENDING</b>	<u><u>\$ 65,882</u></u>

See accompanying notes and accountant's compilation report

**TOWN OF TULLOS  
DEBT SERVICE FUND  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 1998**

Revenue	\$
Expenditures	
Principal	10,000
Interest	5,717
	15,717
Excess of Revenue over (under) expenditures	
Other Financing Sources	
Transfer to Debt Service Fund	12,989
	12,989
Total Other Financing Sources	
Excess of Revenues and other Sources over (under) Expenditures and other Uses	(2,728)
	(2,728)
Net Change in Unreserved Fund Balance for Year	
FUND BALANCE - UNRESERVED JULY 1, 1996	6,028
	3,300
FUND BALANCE - UNRESERVED JUNE 30, 1998	3,300

**TOWN OF TULLOS, LOUISIANA  
 COMBINED STATEMENT OF REVENUE,  
 EXPENSES, AND CHANGES IN RETAINED EARNINGS  
 PROPRIETARY FUND TYPES  
 YEAR ENDED JUNE 30, 1998**

	<u>Utility Enterprise Fund</u>
<b>OPERATING REVENUE</b>	
Water Sales	\$ 88,213
Sewer Charges	26,828
Grant	17,649
Miscellaneous	<u>6,577</u>
Total Operating Revenue	139,267
 <b>OPERATING EXPENSES</b>	
Salaries and Wages, Payroll Tax and Workman's Compensation Insurance	42,370
Materials, Supplies, and Maintenance	51,914
Insurance, Property	4,048
Sewer Treatment Expense	13,245
Miscellaneous	12,390
Utilities and Telephone	14,586
Depreciation	<u>47,639</u>
Total Operating Expenses	<u>186,192</u>
 <b>INCOME (LOSS) FROM OPERATIONS</b>	 <u>(46,925)</u>
 <b>NON-OPERATING REVENUE (EXPENSE)</b>	
Interest Income	2,704
Net Non-Operating Revenue (Expense)	<u>2,704</u>
 <b>NET LOSS</b>	 <u>(44,221)</u>
Transfer From General Prior Period Adjustment	(14,001)
 <b>RETAINED EARNINGS, (DEFICIT) BEGINNING</b>	 <u>88,613</u>
 <b>RETAINED EARNINGS, (DEFICIT) ENDING</b>	 \$ 30,391 =====

See accompanying notes and accountant's compilation report

**TOWN OF TULLOS, LOUISIANA  
 COMBINED STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPES  
 YEAR ENDED JUNE 30, 1998  
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Loss From Operations	<u>\$ (46,925)</u>
 <b>ADJUSTMENTS TO RECONCILE NET INCOME TO    NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Depreciation	47,639
(Increase) Decrease in Accounts Receivable	( 1,650)
Increase (Decrease) in Accounts Payable - Operations	714
Increase (Decrease) in Meter Deposits	<u>1,231</u>
Net Adjustments	<u>47,934</u>
Net Cash Provided by Operating Activities	<u>1,009</u>
 <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Increase (Decrease) in Due to General Fund	<u>7,096</u>
Net Cash Provided by Non-Capital Financing Activities	<u>7,096</u>
Prior Period Adjustment	-0-
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchased Equipment	<u>(18,415)</u>
Net Cash Provided by capital and related	<u>(18,415)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Receipts	<u>2,704</u>
Net Cash Provided by Investing Activities	<u>2,704</u>
Net Decrease in Cash and Equivalents	(7,606)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>84,459</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 76,853</u>

Schedule of Non-Cash Investing, Capital and Financing Activities

There were no non-cash, investing, capital and financing activities for the year ended June 30, 1998.

Cash expended - Interest Approximately	- 0 -
Cash expended - Taxes	6,798

**TOWN OF TULLOS, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND BASES OF PRESENTATION

The Town of Tullos was incorporated under the provisions of the Lawrason Act and operates under a Mayor-Board of Alderman form of government.

The accompanying policies of the Town of Tullos, Louisiana, conform to generally accepted accounting principles as applicable to governmental units, except as noted below. The following is a summary of the more significant policies.

Financial Reporting Entity

In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic -- but not the only -- criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most *significant manifestation of this ability is financial interdependency*. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Town is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no potential component units and all of the Town's activities were included in the primary government reporting entity.

Fund Accounting

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Town:

GOVERNMENTAL FUND TYPE

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

**TOWN OF TULLOS, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)  
GOVERNMENTAL FUND TYPE

Capital Projects Fund - Capital Projects Funds are used to account for the receipt and disbursement of resources for the purpose of building or buying major capital assets.

Debt Service Fund - Debt Service Funds are used to account for resources accumulated for the purpose of paying principal and interest on long term general obligation debt other than those payable from the

PROPRIETARY FUND TYPE

Enterprise Fund - The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund of the Town of Tullos operates a combined water and sewer system viewed for reporting purposes as a single entity. Operating results by division are not determinable.

ACCOUNT GROUPS

General Fixed Assets Account Group - This group of accounts is used to account for fixed assets of the Town other than those accounted for in the proprietary fund. For the year ended June 30, 1998, the Town has not maintained details of the various properties and equipment that should be included in this account group. Accordingly, the General Fixed Asset group has not been included in the accompanying financial statements.

General Long-Term Debt Account Group - This group of accounts is used to account for long-term debt of the Town not accounted for in the proprietary fund for the year ended June 30, 1998. There was no activity in this account group and accordingly the accompanying financial statements do not include such an account group.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**TOWN OF TULLOS, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

Basis of Accounting (Continued)

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt, which is recognized when due.

In both governmental and proprietary funds, inventories of supplies are considered immaterial and are not recorded.

The proprietary (enterprise) fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Utility revenues are billed on a cycle basis and are recognized in the month billed. Unbilled service receivables resulting from utility services rendered between cycle billing and the end of the month have been recognized in the accompanying financial statements.

Budget Practices

The Town Clerk prepares an annual budget for the Town's general fund. This budget is submitted to the Town Council and an approved budget is adopted before the beginning of each fiscal year.

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is adopted for the Town's Utility Fund.

Property and Equipment - Proprietary Fund

Property and equipment are recorded at cost or estimated historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Prior to July 1, 1988 there were few records supporting the cost of the sewer and water



**TOWN OF TULLOS, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

Property and Equipment - Proprietary Fund (continued)

distribution system. The cost of these systems have been estimated using the bond issues proceeds through the year.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

Contributed Capital

Grants received by the Town that are restricted for the acquisition or construction of fixed assets are recorded as contributed capital. Depreciation on assets acquired with contributed capital is recorded as an operation expense. Contributed capital accounts and net income are not adjusted for the effects of related depreciation.

Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum" to indicated 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.

Statement of Cash Flows

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks and certificates of deposit.

**TOWN OF TULLOS, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 1998**

NOTE 2- ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTAL UNITS

At June 30, 1995, amounts to be collected by the Town are as follows:

	<u>General Fund</u>	<u>Utility Fund</u>	<u>Memorandum Total</u>
<b>ACCOUNTS RECEIVABLE</b>			
Due for Utility Sales	\$	\$17,691	\$ 17,691
Franchise Taxes Receivable	<u>3,610</u>	<u>          </u>	<u>3,610</u>
Total	<u>\$ 3,610</u>	<u>\$17,691</u>	<u>\$ 21,301</u>
<b>DUE FROM OTHER GOVERNMENTAL UNITS (STATE OF LOUISIANA)</b>			
Tobacco Tax	\$ 577	\$	\$ 577
Beer Tax	549		549
Video Poker Funds	<u>4,214</u>	<u>          </u>	<u>4,214</u>
Total	<u>\$ 5,340</u>	<u>          </u>	<u>\$ 5,340</u>

At June 30, 1998 there were no material amounts of uncollectible receivables and there was no provision recorded on the books.

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 1998 the Town's cash balance totaled \$112,744 (book balance) and \$114,206 (bank balance). The composition of these accounts is as follows:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Utility Fund</u>	<u>Total Book Balance</u>	<u>Bank Balance</u>
	\$	\$	\$	\$	\$
Demand Deposits, Non-Interest Bearing	17,769	3,300	26,853	47,922	49,384
Savings and Time Deposits	14,822	-0-	50,000	64,822	64,822
Total Cash and Cash Equivalents	<u>32,591</u>	<u>3,300</u>	<u>76,853</u>	<u>112,744</u>	<u>114,206</u>

**TOWN OF TULLOS, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 1998**

**NOTE 3 - CASH AND CASH EQUIVALENTS(CONTINUED)**

Under state law, deposits with financial institutions must be secured by Federal Deposit Insurance or by the pledge of securities owned by the Bank. At June 30, 1998 all deposits with financial institutions were fully covered by Federal Deposit Insurance and pledged securities. A detail of the coverage amounts at June 30, 1998 is as follows:

Total cash at June 30, 1998 (bank balance)	\$ 114,206
Less FDIC coverage	<u>100,000</u>
Subtotal	14,206
Less amount secured by securities pledged to the Town, but held in the name of the financial institution (uncollateralized)- Market Value	<u>14,206</u>
Excess of FDIC Insurance and pledged securities	\$ -0- =====

**NOTE 5 - AD VALOREM TAXES**

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of LaSalle Parish. For the year ended June 30, 1998, the Town levied a 8.34 mills for general corporate purposes.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed. There were no material amounts of collectible ad valorem taxes at June 30, 1998.

**NOTE 6 - PROPERTY AND EQUIPMENT**

**General Fund**

A summary of the general fixed asset account group consist of the following:

	Balance <u>6/30/97</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>6/30/98</u>
Equipment	\$3,656	\$	\$	\$ 3,656
Vehicle	7,933			7,933
Fire Truck	137,623			137,633
Total	<u>\$149,222</u> =====	----- =====	----- =====	<u>\$149,222</u> =====

**TOWN OF TULLOS, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 1998**

NOTE 6 - PROPERTY AND EQUIPMENT(CONTINUED)

Proprietary Fund

A summary of the property and equipment in the Utility Fund at June 30, 1998 consists of the following:

	<u>Balance</u> <u>6/30/97</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/98</u>
Water Distribution System	\$ 1,483,736	\$	\$	\$ 1,483,736
Equipment	14,406	18,415		32,821
Land & Buildings	26,157			26,157
Sewer Collection System	<u>218,800</u>			<u>218,800</u>
Total	\$ 1,743,099	18,415		1,757,724
Less Accumulated Depreciation	( <u>464,813</u> )	( <u>47,639</u> )		( <u>512,452</u> )
Net Property and Equipment	<u>\$1,278,286</u>	<u>\$ 29,224</u>	<u>\$ -0-</u>	<u>\$1,249,062</u>

NOTE 7 - BOARD MEMBERS PER DIEM

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT</u>
Fred Book	Mayor	\$2,400
Billy Bert Loe	Alderman	300
Darwin Fife	Alderman	300
Melba King	Alderman	300
Jim Arbogast	Alderman	300

NOTE 8 - CONTRIBUTED CAPITAL

An analysis of the Town's contributed capital account is presented as follows:

Beginning Balance	\$ 1,262,305
Prior period adjustment	15,000
Ending Balance	<u>\$ 1,277,305</u>

**TOWN OF TULLOS, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 1998**

**NOTE 9 - RISK MANAGEMENT**

The Town is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omission; injuries to employees; and natural disasters. Insurance for these risk is provided by participation in a public entity risk pool that operates as a common insurance program for various municipalities. Settled claims resulting from these risk have not exceeded available coverage in any of the past three (3) years.

**NOTE 10- GENERAL LONG-TERM DEBT**

Description	June 30, 1997	Issued	Retired	June 30, 1998
General Obligation Bonds \$ 120,000 Originally issued, Interest rate 5.15%	\$ -0-	111,000	10,000	\$ 101,000

**NOTE 11-GENERAL LONG TERM DEBT (CONTINUED)**

Following is a summary of bond principal maturities and interest requirements:

Year Ending <u>June 30</u>	General Obligation <u>Bonds</u>
1999	\$ 15,201
2000	15,686
2001	16,120
2002	15,502
2003	15,884
2004-2006	<u>\$ 47,481</u>
Total	\$ 125,874
Less Interest	<u>( 24,874)</u>
Principal Balance	<u>\$ 101,000</u>

The bonds were issued for the purpose of purchasing a fire truck and are to be paid from general receipts of the Town of Tullos, Louisiana.

**NOTE 12 - Prior Period Adjustment**

The June 30, 1997 balance in the Proprietary fund was adjusted because of a \$15,000 grant was inadvertently credited to retained earnings instead of contributed capital. Also, the accounts receivables were understated by \$999. The net adjustment is for \$14,001.

# WILLIAM D. EDWARDS

Certified Public Accountant  
A Professional Accounting Corporation  
Member: AICPA / Society of LCPA'S

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of Town of Tullos, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Town of Tullos, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Town of Tullos' compliance with certain laws and regulations during the year ended June 30, 1998 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 user 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 \$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).

No expenditures were made during the year for materials and supplies exceeding \$5,000 and no expenditure was made for public works exceeding \$50,000. I examined cash disbursement records which indicated no purchases which would require public bidding requirements.

### *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 interest 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 (2).

### *Budgeting*

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

A reading of the minutes showed the budget being approved by the Board of Aldermen.

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

The budget was not adopted until June, 1998 for the fiscal year ended June 30, 1998.

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

The actual expenditures exceed the budgeted expenditures by \$12,859 (16%).

### *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 the payments were for the proper amount and to the correct payee.

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

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 approvals from the Town Clerk and the Mayor.

### *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 Tullos, Louisiana is only required to post a notice of each meeting and the accompanying agenda on the door of the district'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 banks 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 these types of payments.

I was not engaged to, and did not, perform and examine, 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 Town of Tullos, 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.

*William N. Edwards*

Ruston, Louisiana  
December 29, 1998



Town of Tullos  
Schedule of Findings And Questioned Costs  
Year Ended June 30, 1998

COMPLIANCE

98-1 Finding: The compilation/attestation report for the year ended June 30, 1998 was not submitted within six months of the close of the Town's fiscal year as required by LRS 24:513. It has been determined to be the responsibility of the accountant.

Recommendation: I recommend the Town should monitor the outside accountant to ensure timely filing of its attestation report.

Response: The Town will monitor the outside accountant and Mr. Edwards has assured us of an earlier completion in the future.

98-2 Finding: During my test work, I noted the Town's failure to adopt its fiscal budget prior to June, 1998.

Recommendation: I recommend that the Town adopt its budget before June 30 of the following fiscal year.

Response: The budget for the year ended June 30, 1999 was adopted in June, 1998 for the following fiscal year at the same time the budget for the year ended June 30, 1998 was adopted.

98-3 Finding: The actual expenditures exceed the budgeted expenditures by 16%, which violates the local budget law.

Recommendation: I recommend that the Town monitor and amend its budget as needed.

Response: Within 60 days, the Town will input the budget for the year ended June 30, 1999 into its new software and will monitor throughout the year so the Board can take corrective action if the budget is exceeded.

INTERNAL CONTROL

None

Town of Tullos  
Summary of Prior Year Findings  
Year Ended June 30, 1998

There were no findings relating to compliance or internal control for the year ended June 30, 1997. The following are prior year findings relating to compliance for the year ended June 30, 1996:

1. The Town had not completed its records of the general fixed asset account group as required by LRS 24:515 (b)(1). The records for the year ended June 30, 1996 purchases were on hand, however. Per discussion with management, this has not been resolved to this date.
2. The Town purchased a vehicle without complying with LRS 38:2212, which requires "obtaining not less than three telephone or facsimile quotations when the purchase is five thousand dollars or more, but less than ten thousand dollars. Per discussion with management, this has been resolved and the Town now follows the bid law in effect today.

## **CORRECTIVE ACTION PLAN**

The Town of Tullos hereby submits the following corrective action plan regarding the findings in the compilation/attestation for the year ended June 30, 1998:

- 98-1. The compilation/attestation report for the year June 30, 1999 will be completed within six months of the close of our fiscal year as required by LRS 24:513.
- 98-2. The budget for the year ended June 30, 1999 has been adopted according to the budget law.
- 98-3. The budget for the year ended June 30, 1999 will be monitored and amended as needed.

LOUISIANA ATTESTATION QUESTIONNAIRE

9/1/98

Date

William D. Edwards, CPA  
105 East Reynolds Dr., Suite A  
Ruston, LA 71270

(Auditors)

In connection with your compilation of our financial statements as of 6/30/98 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 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 6/30/98 (date).

**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 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 39-43.

Yes [] No []

## LOUISIANA ATTESTATION QUESTIONNAIRE

### 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 44:38.

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, and LSA-RS 47:1410.60.

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.

LOUISIANA ATTESTATION QUESTIONNAIRE

Mary White Secretary 11/20/98 Date  
\_\_\_\_\_  
Treasurer \_\_\_\_\_ Date  
\_\_\_\_\_  
President \_\_\_\_\_ 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.