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**SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT
Athens, Louisiana**

**General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
December 31, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 6-23-04

MARY JO FINLEY, CPA, INC.
A PROFESSIONAL CORPORATION

SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT
Athens, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
December 31, 2003

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Mary Jo Finley, CPA

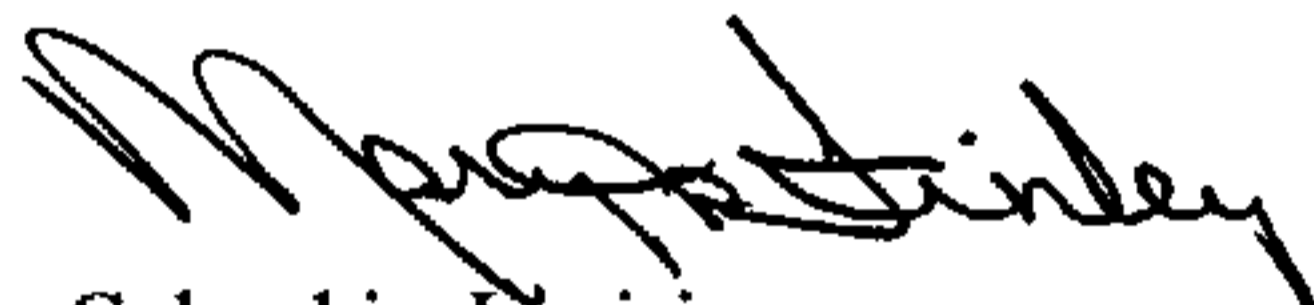
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Accountant's Compilation Report

BOARD OF COMMISSIONERS
SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT
Athens, Louisiana

I have compiled the accompanying general purpose financial statements, as listed in the foregoing table of contents, of the South Claiborne Parish Fire Protection District as of December 31, 2003, and for the year then ended, in accordance with standards established by *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. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.



Columbia, Louisiana
May 21, 2004

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

**SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT**
Athens, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 2003

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS			
Cash and cash equivalents	\$163,866		\$163,866
Receivables - Ad valorem taxes	112,215		112,215
Buildings and equipment		\$682,247	682,247
TOTAL ASSETS	\$276,081	\$682,247	\$958,328
LIABILITIES AND FUND EQUITY			
Liabilities - accounts payable	\$5,138		\$5,138
Fund Equity:			
Investment in general fixed assets		\$682,247	682,247
Fund balance - unreserved - undesignated	270,943		270,943
Total Fund Equity	270,943	682,247	953,190
TOTAL LIABILITIES AND FUND EQUITY	\$276,081	\$682,247	\$958,328

See accompanying notes and Accountant's compilation report.

SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT
Athens, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 2003

REVENUES	
Ad valorem taxes	\$123,974
Intergovernmental revenue - state funds - fire insurance rebate	5,321
Use of money and property	1,506
Other revenue	5,433
Total revenues	<u>136,234</u>
EXPENDITURES	
Current - public safety:	
Operating services	41,238
Material and supplies	1,199
Capital outlay	11,976
Intergovernmental	4,324
Total expenditures	<u>58,737</u>
EXCESS OF REVENUES OVER EXPENDITURES	77,497
FUND BALANCE AT BEGINNING OF YEAR	<u>193,446</u>
FUND BALANCE AT END OF YEAR	<u><u>\$270,943</u></u>

See accompanying notes and Accountant's compilation report.

SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT
Athens, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(Cash Basis) and Actual
For the Year Ended December 31, 2003

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Ad valorem taxes	\$80,000	\$112,102	\$32,102
Intergovernmental revenue - state funds - fire insurance rebate		5,321	5,321
Use of money and property	2,000	602	(1,398)
Other Revenue	3,000	5,433	2,433
Total revenues	<u>85,000</u>	<u>123,458</u>	<u>38,458</u>
EXPENDITURES			
Current - public safety:			
Operating services	92,465	40,783	51,682
Material and supplies	15,000	1,147	13,853
Capital outlay	25,000	12,246	12,754
Total expenditures	<u>132,465</u>	<u>54,176</u>	<u>78,289</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(47,465)	69,282	116,747
FUND BALANCE AT BEGINNING OF YEAR	<u>97,465</u>	<u>93,680</u>	<u>(3,785)</u>
FUND BALANCE AT END OF YEAR	<u>\$50,000</u>	<u>\$162,962</u>	<u>\$112,962</u>

See accompanying notes and Accountant's compilation report.

**SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT
Athens, Louisiana**

Notes to the Financial Statements
As of and for the Year Ended
December 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

South Claiborne Parish Fire Protection District was created by the Claiborne Parish Police Jury as authorized by Louisiana Revised Statute 40:1492, on February 8, 1990. The district is governed by a five member board appointed by the police jury, the Village of Athens, and by the board. Board members serve without benefit of compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Claiborne Parish Police Jury is the financial reporting entity for Claiborne Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Claiborne Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. 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 police jury to impose its will on that organization and/or

**SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT
Athens, Louisiana
Notes to the Financial Statements (Continued)**

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
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.

Because the police jury created the district, appoints certain commissioners of the district, and has the ability to impose its will on the district, the district was determined to be a component unit of the Claiborne Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Claiborne Parish financial reporting entity.

B. FUND ACCOUNTING

The district 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the

**SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT
Athens, Louisiana**

Notes to the Financial Statements (Continued)

providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of only governmental funds (General Fund). The district's sources of revenue consist of an ad valorem tax and interest on demand deposits. General operating expenditures are paid from this fund.

C. FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental fund and the related assets are reported in the general fixed assets account group. The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized. All general fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

**SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT
Athens, Louisiana
Notes to the Financial Statements (Continued)**

Revenues

Ad valorem taxes are budgeted in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year, and January and February of the subsequent year.

Interest income on demand deposits is recorded in the month the interest is earned and credited to the bank account.

Substantially all other revenues are recorded when received by the district.

Based on the above criteria, ad valorem taxes have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET PRACTICES

A preliminary budget for the ensuing year is prepared by the board prior to December 31 of each year during the board's regular December meeting. The proposed budget is prepared on the cash basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners. Encumbrance accounting is not used by the district.

SOUTH CLAIBORNE PARISH
 FIRE PROTECTION DISTRICT
 Athens, Louisiana
 Notes to the Financial Statements (Continued)

The budget comparison statements included in the accompanying financial statements for the year ended December 31, 2003, include the original adopted budget. The following reconciles the excess (deficiency) of revenues over expenditures as shown on budget comparison Statement C (budget basis) to the same amounts shown on Statement B (GAAP basis):

Excess (deficiency) of revenues over expenditures (Budgetary basis)	\$69,282
Adjustments:	
Receivables	8,488
Payables	(1,177)
Other	<u>904</u>
Excess (deficiency) of revenues over expenditures (GAAP basis)	<u>\$77,497</u>

F. CASH

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2003, the district has cash (book balance) totaling \$163,866.

Demand deposits	\$112,962
Time deposits	<u>50,904</u>
Total	<u>\$163,866</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Deposit balances (bank balances) at December 31, 2003, total \$166,237 and are fully secured by federal deposit insurance and pledged securities as follows:

Bank balances	<u>\$166,237</u>
Federal deposit insurance	\$150,903
Pledged securities (uncollateralized)	<u>1,819,889</u>
Total	<u>\$1,970,792</u>

SOUTH CLAIBORNE PARISH
 FIRE PROTECTION DISTRICT
 Athens, Louisiana
 Notes to the Financial Statements (Continued)

**G. TOTAL COLUMN ON COMBINED
 BALANCE SHEET**

The total column on the combined balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation.

H. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the police jury maintains coverage on the fire district. The policy covers general liability, property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2003.

2. LEVIED TAXES

The district is authorized to levy a maximum tax of 10.00 mills on property within the boundaries of the district for maintenance and operation of the district. The district levied 11.36 mills for 2003. The difference between authorized and levied millages is the result of reassessments of the taxable property required by Article 7, Section 23 of the Louisiana Constitution of 1974.

The following are the principal taxpayers for the parish and their 2003 assessed valuation.

	2003 Assessed Valuation	Percent of Total Assessed Valuation
Texas Gas Transmission Corp.	\$4,403,180	5.15%
Ludlow Corporation	3,613,020	4.23%
Marathon Oil Company	3,238,580	3.79%
Duke Energy Field Services, Inc.	2,628,070	3.07%
Entergy Louisiana, Inc.	1,692,470	1.98%
Hunt Oil Company	1,687,840	1.97%
Centerpoint Energy Gas Transmission	1,658,280	1.94%

SOUTH CLAIBORNE PARISH
 FIRE PROTECTION DISTRICT
 Athens, Louisiana
 Notes to the Financial Statements (Continued)

	2003 Assessed Valuation	Percent of Total Assessed Valuation
Claiborne Electric Co-op, Inc.	\$1,544,330	1.81%
Bellsouth Telecommunications	1,450,560	1.70%
XTO Energy	1,311,940	1.53%
Total	<u>\$23,228,270</u>	<u>27.17%</u>

3. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in general fixed assets for the year ended December 31, 2003:

	<u>Balance January 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31,</u>
Buildings	\$10,326			\$10,326
Fire fighting equipment	694,843	\$11,976	(\$34,898)	671,921
Total	<u>\$705,169</u>	<u>\$11,976</u>	<u>(\$34,898)</u>	<u>\$682,247</u>

4. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 2003, nor is it aware of any unasserted claims.

5. SERVICES AGREEMENT

The district entered into a contract with Dennis Butcher whereby the district agreed to pay Mr. Butcher \$1,000 per month for training services, consultation and other technological functions pertaining to the district. Payments under this agreement totaled \$12,000 for 2003 and are included in operating services expenditures. In addition the district entered into a contract with Martha Rodgers whereby the district agreed to pay Ms. Rodgers \$75 per month for accounting/bookkeeping functions pertaining to the district. In August, 2003 she was given a raise to \$100 per month. Payments under this agreement totaled \$1025 for 2003 and are included in operating services expenditures.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent Accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Mary Jo Finley, CPA

A Professional Corporation
129 Chambola Drive
Columbia, LA 71418
Phone (318) 649-5089

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

BOARD OF COMMISSIONERS
SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT
Athens, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the South Claiborne Parish Fire Protection District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the South Claiborne Parish Fire Protection District's compliance with certain laws and regulations during the year ended December 31, 2003 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 the 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 each year under examination for materials 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).

A review was made of all disbursement journals for the year under examination. That review disclosed no expenditure made during the period under examination for materials and supplies exceeding \$15,000. No expenditures were disclosed for 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

**SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2003**

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.

The district has no employees. Consulting and training services are provided on a contractual basis.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

As stated above, there are no employees. However, I determined that the contractor did not appear on the list provided by management in number 2 above.

Budgeting

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

Management provided me with a copy of the original budget. There were no amendments to the budget during the year.

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

I traced the adoption of the original budget to the minutes of meetings held on August 22, 2002, which indicated that the budget had been adopted by the Board of Commissioners of the South Claiborne Parish Fire Protection District by votes of all in favor and none opposed.

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

I compared the revenues and expenditures of the final budgets to actual revenues and expenditures. Actual revenues did not fail to meet budgeted amounts by 5% or more, nor did actual expenditures exceed budgeted amounts by 5% or more.

**SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2003**

Accounting and Reporting

8. Randomly select 6 disbursements made during each period under examination and;
- (a) trace payments to supporting documentation as to correct amount and payee;
 - (b) determine if payments were properly coded to the correct fund and general ledger account;
 - (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

- (a) The six selected disbursements were for the proper amount as reflected on supporting documentation and were made to the correct payee.
- (b) All six payments were coded to the correct fund and general ledger account.
- (c) Inspection of canceled checks for each of the six disbursements indicated approval from one board members. Further, the types of disbursements made were included in the district's approved budget.

Meetings

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

I inquired of management whether agendas for meetings were posted at the meeting place at least twenty-four hours prior to the meeting. Management stated that agendas were posted.

Debt

10. Examine bank deposits for each 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 deposit slips for each period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

**SOUTH CLAIBORNE PARISH
FIRE PROTECTION DISTRICT
Independent Accountant's Report on
Applying Agreed Upon Procedures,
December 31, 2003**

Advances and Bonuses

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

As stated in number 3 above, the district has no paid employees. A reading of the minutes of the board for the year indicated no approval for the payments noted.

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 South Claiborne Parish Fire Protection District 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. Although the intended use of these reports may be limited, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.



Columbia, Louisiana
May 21, 2004

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the questionnaire.

Mary Jo Finley, CPA, Inc.
129 Chambola Drive
Columbia, LA 71418

Mary Jo Finley,

In connection with your compilation of our financial statements of the South Claiborne Parish Fire Protection District as of December 31, 2003 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 regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on information available to us as of May 21, 2004.

PUBLIC BID LAW

1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes No N/A

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. No employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1101-1124.

Yes No N/A

3. 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 which would constitute a violation of LSA-RS 42:1119.

Yes No N/A

BUDGETING

4. 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 [X] No [] N/A []

ACCOUNTING AND REPORTING

5. 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 [X] No [] N/A []

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

Yes [X] No [] N/A []

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

Yes [X] No [] N/A []

MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes [X] No [] N/A []

DEBT

9. 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 47:1410.60.

Yes [X] No [] N/A []

ADVANCES AND BONUSES

10. 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 [X] No [] N/A []

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 non-compliance which may occur subsequent to the issuance of your report.

Archie Coull

Chairman

May 21, 2004

Date