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Financial Report

(Compiled)

*St. Tammany Parish Waterworks
District No. 3*

Mandeville, Louisiana

December 31, 1997

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

JUN 24 1998

Release Date _____

TABLE OF CONTENTS

St. Tammany Parish Waterworks District No. 3 Mandeville, Louisiana

December 31, 1997

	<u>Exhibits</u>	<u>Page Number</u>
Accountant's Compilation Report		1
Exhibits		
Balance Sheet - Proprietary Fund Type - Enterprise	A	2 - 3
Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Type - Enterprise	B	4 - 5
Statement of Cash Flows - Proprietary Fund Type - Enterprise	C	6
Notes to Financial Statements	D	7 - 14
Special Report Of Certified Public Accountants		
Independent Accountant's Report on Applying Agreed-Upon Procedures		15 - 18
Reports By Management		
Management's Corrective Action Plan		19
Louisiana Attestation Questionnaire - Management's Assertion		20 - 21



Bourgeois Bennett

ACCOUNTANT'S COMPILATION REPORT

To the Board of Commissioners,
St. Tammany Parish Waterworks District No. 3,
Mandeville, Louisiana.

We have compiled the accompanying general purpose financial statements of St. Tammany Parish Waterworks District No. 3 (the District) as of and for the year ended December 31, 1997, as listed in the foregoing table of contents, in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, La.,
June 11, 1998.

BALANCE SHEET - PROPRIETARY FUND TYPE - ENTERPRISE

St. Tammany Parish Waterworks District No. 3
Mandeville, Louisiana

December 31, 1997

(See Accountant's Compilation Report)

ASSETS

Current

Cash	\$ 121,454
Certificates of deposit	10,000
Receivable - charges for services	14,012
Accrued interest receivable	49
Prepaid insurance	<u>2,525</u>
Total current assets	<u>148,040</u>

Restricted

Cash	40,138
Certificates of deposit	35,701
Accrued interest	<u>1,567</u>
Total restricted assets	<u>77,406</u>

Water System, Building and Equipment

(Net of \$202,659 accumulated depreciation) 501,976

Total \$ 727,422

See notes to financial statements.

LIABILITIES AND FUND EQUITY

Current

Current liabilities (payable from current assets):

Accounts payable		\$ 2,957	
Due to other governmental agencies		<u>23,518</u>	\$ 26,475

Current liabilities (payable from restricted assets):

Revenue bonds payable:			
Bonds payable	\$ 11,000		
Accrued interest	<u>226</u>	11,226	
Public improvement bonds payable:			
Bonds payable	14,000		
Accrued interest	278		
Matured interest payable	<u>833</u>	<u>15,111</u>	<u>26,337</u>

Total current liabilities 52,812

Long-Term Debt

(Payable from restricted assets)

Revenue bonds payable		12,000	
Public improvement bonds payable		<u>15,000</u>	<u>27,000</u>

Total liabilities 79,812

FUND EQUITY

Fund Equity

Retained earnings:

Reserved for prepaid expenses		2,525	
Reserved for debt service:			
Revenue bonds		22,507	
Public improvement bonds		1,562	
Reserved for right-of-way construction contingencies		10,000	
Unreserved		<u>611,016</u>	

Total fund equity 647,610

Total \$ 727,422

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS -
PROPRIETARY FUND TYPE - ENTERPRISE**

**St. Tammany Parish Waterworks District No. 3
Mandeville, Louisiana**

For the year ended December 31, 1997

(See Accountant's Compilation Report)

Operating Revenues		
Charges for services		<u>\$ 140,777</u>
Operating Expenses		
Personal Services:		
Contract labor maintenance		18,000
Salaries and benefits		6,852
Per diem paid to commissioners		<u>2,280</u>
		<u>27,132</u>
Supplies and Materials:		
Maintenance and repairs		11,939
Office supplies and expense		<u>2,569</u>
		<u>14,508</u>
Outside Services:		
Utilities		10,737
Licenses and fees		2,917
Professional fees		1,600
Insurance		3,322
Miscellaneous		<u>999</u>
		<u>19,575</u>
Depreciation		<u>22,086</u>
		<u>83,301</u>
Total operating expenses		
		<u>83,301</u>
Operating income		<u>57,476</u>

**Exhibit B
(Continued)**

Nonoperating Revenues (Expenses)

Interest income	2,706
Interest expense	(3,470)
Paying agent fees	<u>(805)</u>

Total nonoperating revenues (expenses) (1,569)

Net income 55,907

Retained Earnings

Beginning of year 591,703

End of year \$ 647,610

See notes to financial statements.

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUND TYPE - ENTERPRISE**

**St. Tammany Parish Waterworks District No. 3
Mandeville, Louisiana**

For the year ended December 31, 1997

(See Accountant's Compilation Report)

Cash Flows From Operating Activities

Operating income	\$ 57,476
Adjustments to reconcile operating income to cash provided by operating activities:	
Depreciation	22,086
Increase in receivables	(3,632)
Increase in prepaid insurance	(927)
Increase in accounts payable	537
Decrease in due to other governmental agencies	<u>(32,673)</u>
Total adjustments	<u>(14,609)</u>
Net cash provided by operating activities	<u>42,867</u>

Cash Flows From Capital and Related Financing Activities

Purchase of water system improvements	(6,943)
Principal paid on bonds	(23,000)
Interest paid on bonds	(4,067)
Paying agents fees	<u>(805)</u>
Net cash used by capital and related financing activities	<u>(34,815)</u>

Cash Flows Provided By Investing Activities

Interest earnings	<u>2,706</u>
Net increase in cash	10,758

Cash

Beginning of year	<u>150,834</u>
End of year	<u>\$ 161,592</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**St. Tammany Parish Waterworks District No. 3
Mandeville, Louisiana**

December 31, 1997

(See Accountant's Compilation Report)

INTRODUCTION

The St. Tammany Parish Waterworks District No. 3 was created by the St. Tammany Parish Police Jury, as provided by Louisiana Revised Statute (LSA-R.S.) 33:3811. The waterworks district is governed by a five-member board of commissioners who are residents of and own real estate in the district. The board is appointed by the police jury and is responsible for providing water service to users within the boundaries of the district. The waterworks district was created on March 15, 1973. The water comes from deep artesian wells, and it is distributed through a central water tower. St. Tammany Parish Waterworks District No. 3 is the collection agent for St. Tammany Parish Sewerage Districts No. 1 and No. 4.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Basis of Presentation**

The accompanying financial statements of St. Tammany Parish Waterworks District No. 3 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

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity. Because the District is solely accountable for fiscal matters, which include (1) responsibility for funding deficits and operating deficiencies, (2) fiscal management for controlling the collection and disbursement of funds, and (3) because of the scope of public service provided by the District, the District is a separate governmental reporting entity. The District includes all funds,

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Reporting Entity (Continued)

activities, et cetera, that are within the oversight responsibility of the District. Certain units of local government over which the District exercises no oversight responsibility, such as the parish police jury, the parish school board, independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government, are considered separate reporting entities and issue financial statements separate from those of the District.

c. Fund Accounting

The St. Tammany Parish Waterworks District No. 3 is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continued basis be financed or recovered primarily through user charges.

d. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is 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 this fund are included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

e. Cash

Cash includes amounts in regular checking and savings accounts.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Receivables

The St. Tammany Parish District No. 3 bills customers in the month following the month in which services were provided. Unbilled service charges are accrued for the month of December at year end. The District uses the direct write off method of accounts receivable when an account is determined to be uncollectible.

g. Fixed Assets

Fixed assets of the District are included on the balance sheet of the fund. Depreciation of all exhaustible fixed assets are charged as an expense against operations. Depreciation is computed using the straight-line method over 10 to 35 years, the estimated useful lives of property.

h. Compensated Absences and Pension Plan

The District has no full time employees; therefore, it does not have a formal vacation and sick leave policy and does not contribute to a pension plan.

Note 2 - CASH AND CERTIFICATES OF DEPOSIT

At December 31, 1997, the District has cash and certificates of deposit as follows:

Demand deposits	<u>\$161,592</u>
Certificates of deposit	<u>\$45,701</u>

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

Note 2 - CASH AND CERTIFICATES OF DEPOSIT (Continued)

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposit. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

At various times during 1997 deposits in excess of FDIC insurance were collateralized by the securities described above. The Governmental Standards Board (GASB), which promulgates the Standards for accounting and financial reporting for state and local governments considers these funds uncollateralized. (GASB Category 3).

Even though these funds are considered to be uncollateralized (GASB Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statue 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

All of the District's cash and certificates of deposits at December 31, 1997 were insured by FDIC/FSLIC insurance. Certificates of deposit held at December 31, 1997 mature within one year.

Note 3 - RESTRICTED ASSETS

Bond requirements contain limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds. The District is in compliance with all such significant limitations and restrictions. A summary of restricted assets are as follows:

Public Improvement Bonds:	
Restricted cash	<u>\$31,673</u>

Note 3 - RESTRICTED ASSETS (Continued)

The above funds are restricted to pay the remaining principal and interest for the public improvement bonds of \$31,530 (\$30,697 principal and interest due after 1997 and \$833 matured interest unpaid).

Revenue Bonds:

Revenue Bond and Interest Sinking Fund:

Restricted cash \$ 8,465

Revenue Bond Reserve Fund:

Restricted certificates of deposit 35,701

Restricted accrued interest 1,567

Total \$45,733

Total restricted assets \$77,406

The purpose of these funds are as follows:

a) Revenue Bond and Interest Sinking Fund:

Monthly transfers are required to this Fund in an amount necessary to make the principal and interest payments as they become due. The Fund is restricted for this purpose.

b) Revenue Bond Reserve Fund:

Monthly transfers were required to be made to this fund until it accumulated the maximum amount of principal and interest due in one year. The Fund is restricted to the payment of principal and interest in case of default. Excess funds have been accumulated in the fund.

Note 3 - RESTRICTED ASSETS (Continued)

c) Depreciation and Contingencies Fund:

Monthly transfers of \$292 were required until the Fund accumulated \$17,500. The Fund is restricted to payments for extensions, additions, improvements, renewals and replacements necessary to properly operate the System. At December 31, 1997, the Board of Commissioners had expended the funds in this account to partially finance the rehabilitation and improvement of the system. Transfers are not considered necessary since excess funds accumulated in the Revenue Bond Reserve Fund exceed the \$17,500 required accumulation for depreciation and contingencies.

Note 4 - CHANGES IN WATER SYSTEM, BUILDING AND EQUIPMENT

A summary of changes in water system, building and equipment is as follows:

	Balance January 1, <u>1997</u>	<u>Additions</u>	Balance December 31, 1997
Water system	\$650,652	\$ 6,943	\$657,595
Buildings	736		736
Equipment	<u>46,304</u>	<u>-</u>	<u>46,304</u>
Totals	697,692	6,943	704,635
Accumulated depreciation	<u>(180,573)</u>	<u>(22,086)</u>	<u>(202,659)</u>
Net book value	<u>\$517,119</u>	<u>\$(15,143)</u>	<u>\$501,976</u>

Note 5 - DUE TO OTHER GOVERNMENTAL AGENCIES

The District is the collection agent for St. Tammany Parish Sewerage Districts No. 1 and No. 4. Sewerage fees collected that have not been remitted to the sewerage districts at December 31, 1997 are as follows:

<u>Due To</u>	<u>Amount</u>
St. Tammany Parish Sewerage District No. 1	\$20,645
St. Tammany Parish Sewerage District No. 4	<u>2,873</u>
Total	<u>\$23,518</u>

Note 6 - LONG-TERM DEBT

The following is a summary of the long-term debt transactions for the year ended December 31, 1997:

	<u>Water Revenue Bonds</u>	<u>Public Improvement Bonds</u>	<u>Total</u>
Bonds payable at January 1, 1997	\$33,000	\$ 42,000	\$ 75,000
Less bond principal payments in 1997	<u>(10,000)</u>	<u>(13,000)</u>	<u>(23,000)</u>
Bonds payable at December 31, 1997	<u>\$23,000</u>	<u>\$29,000</u>	<u>\$52,000</u>
Current portion	\$11,000	\$14,000	\$25,000
Long-term portion	<u>12,000</u>	<u>15,000</u>	<u>27,000</u>
Totals	<u>\$23,000</u>	<u>\$29,000</u>	<u>\$52,000</u>

The long-term bonded debt outstanding at December 31, 1997, consists of the remaining Revenue Bonds of \$150,000 dated May 1, 1974, and the remaining Public Improvement Bonds of \$200,000 dated May 1, 1974. These bonds were issued to construct and/or acquire a waterworks system for St. Tammany Parish Waterworks District No. 3. The bonds mature through 1999 at interest rates of 5.00 to 5.95 per cent per annum. The Revenue Bonds are payable from the income and revenues derived from the operation of the waterworks district.

Note 6 - LONG-TERM DEBT (Continued)

The Public Improvement Bonds are secured by an ad valorem tax on all taxable property within the corporate limits of the waterworks district. However, no tax was levied in 1997 for debt service requirements of the public improvement bonds since sufficient funds had been accumulated to retire both the remaining principal and future interest on the outstanding bonds.

The annual requirements to amortize all bonds outstanding at December 31, 1997, including interest of \$1,387 and \$1,697 on the Water Revenue Bonds and Public Improvements Bonds, respectively, are as follows:

<u>Fiscal Year</u>	<u>Revenue Bonds</u>	<u>Public Improvement Bonds</u>	<u>Total</u>
1998	\$12,033	\$15,265	\$27,298
1999	<u>12,354</u>	<u>15,432</u>	<u>27,786</u>
Totals	<u>\$24,387</u>	<u>\$30,697</u>	<u>\$55,084</u>

Note 7 - PER DIEM PAID COMMISSIONERS FOR BOARD MEETINGS

Attendance and payment for Board of Commissioners meetings were as follows:

<u>Commissioner</u>	<u>Number of Meetings Attended</u>	<u>Amount</u>
Howard Dearing	11	\$ -
Raymond Legendre	5	300
William Burkstaller	12	720
Wilfred Glockner	10	600
John North	11	<u>660</u>
Total		<u>\$2,280</u>

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

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

To the Board of Commissioners,
St. Tammany Parish Waterworks District No. 3,
Mandeville, Louisiana.

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of St. Tammany Parish Waterworks District No. 3 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about St. Tammany Parish Waterworks District No. 3's compliance with certain laws and regulations during the year ended December 31, 1997 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

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

No expenditures were made during the year for materials and supplies exceeding \$5,000 or for public works exceeding \$50,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (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 us with the required list including the noted information.

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

Management provided us with the required list of its one employee.

4. Determine whether any of these 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.

The employee included on the list of employees provided by management ((agreed-upon procedure (3) did not appear on the list provided by management in agreed-upon procedure (2)).

Budgeting

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

Proprietary funds are not required to adopt an annual budget. The District did not adopt a budget in 1997.

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

Not applicable.

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

Not applicable.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the 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

The payments were properly described in the cash disbursement journal.

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

Inspection of documentation supporting each of the six selected disbursements indicated proper approvals.

97-1 Meetings (1997)

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.

St. Tammany Parish Waterworks District No. 3 did not post or advertise notices of meetings as required by LSA:RS 42:1 through 42:12.

Debt

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

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

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, advances, or gifts.

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

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

This report is intended solely for the use of Management of St. Tammany Parish Waterworks District No. 3, 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, La.,
June 11, 1998.

REPORTS BY MANAGEMENT

MANAGEMENT'S CORRECTIVE ACTION PLAN

St. Tammany Parish Waterworks District No. 3

December 31, 1997

Section I Internal Control and Compliance Material to the Financial Statements

97-1 Meetings (1997)

Criteria - 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.

Condition - St. Tammany Parish Waterworks District No. 3 did not post or publish notices of meetings in 1997 as required by above statutes.

Recommendation - St. Tammany Parish Waterworks District No. 3 should publish the location, date, time and topics of the meetings of the Board of Commissioners at least annually.

Corrective Action Plan - The Commission published a notice May 28, 1998 in the local newspaper that meetings are held beginning at 7:30 P.M. on the third Tuesday of each month at 164 Crape Myrtle Road, Covington, Louisiana. All topics pertinent to maintaining the water service will be discussed and delinquent accounts will be reviewed. Public invited to attend. The Commission intends to publish such a notice annually.

Section II Internal Control and Compliance Material To Federal Awards

Not applicable.

Section III Management Letter

None.

APPENDIX F. LOUISIANA ATTESTATION QUESTIONNAIRE

*St. Tammany Parish
Water Dist. #3*

April 30, 1998 Date

Bourgeois Bennett, L.L.C.
111 Veterans Blvd., Suite 800
Metairie, LA 70005
(Auditors)

In connection with your compilation of our financial statements as of December 30, 1997 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and 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 April 30, 1998 (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 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 39:43.

Yes No []

Accounting and Reporting

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.

20

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 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.

W. J. Bussalata Secretary 4-21-98 Date

NONE Treasurer _____ Date

Harvard Dearnay President 4-21-98 Date

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