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COMPONENT UNIT
FINANCIAL STATEMENTS
OF THE
NEZPIQUE DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH, LOUISIANA
AS OF DECEMBER 31, 2003

FREDERICK, NORTON, ROBERT & SCHULTHESS
Certified Public Accountants
(A Professional Corporation)
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P. O. Drawer 1429
Jennings, Louisiana 70546

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 5.26.04

NEZPIQUE DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH, LOUISIANA

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ACCOUNTANTS' COMPILATION REPORT

To the Honorable Board of Commissioners
Nezpique Drainage District
Jefferson Davis Parish, Louisiana

We have compiled the component unit financial statements of the Nezpique Drainage District, Jefferson Davis Parish, Louisiana as of December 31, 2003, and for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

Fredrick, Norton, Robert & Schulthess

FREDERICK, NORTON, ROBERT & SCHULTHESS
May 4, 2004

NEZPIQUE DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH, LOUISIANA

Exhibit A

COMPONENT UNIT COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
As of December 31, 2003

	GOVERNMENTAL FUNDS TYPES			ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)
	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	GENERAL LONG-TERM DEBT	
<u>ASSETS AND OTHER DEBITS</u>					
Assets:					
Cash and cash equivalents	\$ 349,755	\$ -0-	\$ -0-	\$ -0-	\$ 349,755
Receivables - ad valorem taxes	148,639	-0-	-0-	-0-	148,639
Amount available in debt service fund	-0-	-0-	-0-	-0-	-0-
Amount to be provided for retirement of long-term debt	-0-	-0-	-0-	-0-	-0-
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 498,394</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 498,394</u>
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>					
Liabilities:					
Other Liabilities	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Bonds Payable	-0-	-0-	-0-	-0-	-0-
Total Liabilities	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Equity and Other Credits:					
Fund Balances:					
Reserved	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Unreserved - designated	-0-	-0-	-0-	-0-	-0-
Undesignated	498,394	-0-	-0-	-0-	498,394
Total Equity and Other Credits	<u>\$ 498,394</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 498,394</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 498,394</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 498,394</u>

See accompanying notes and accountants' report

NEZPIQUE DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH, LOUISIANA

Exhibit B

COMPONENT UNIT STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
For The Year Ended December 31, 2003

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS (MEMORANDUM ONLY)
<u>REVENUES</u>				
Ad valorem taxes	\$ 144,195	\$ -0-	\$ -0-	\$ 144,195
Other income	-0-	-0-	-0-	-0-
Interest income	-0-	-0-	870	870
TOTAL REVENUES	\$ 144,195	\$ -0-	\$ 870	\$ 145,065
<u>EXPENDITURES</u>				
General government:				
Legislative	\$ 1,100	\$ -0-	\$ -0-	\$ 1,100
Finance and administrative	9,212	-0-	-0-	9,212
Public works	3,810	-0-	50,243	54,053
Debt service - interest and bank charges	-0-	-0-	-0-	-0-
TOTAL EXPENDITURES	\$ 14,122	-0-	\$ 50,243	\$ 64,365
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>\$ 130,073</u>	<u>\$ -0-</u>	<u>\$ (49,373)</u>	<u>\$ 80,700</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	\$ -0-	\$ -0-	\$ 49,373	\$ 49,373
Operating transfers out	(49,373)	-0-	-0-	(49,373)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (49,373)	\$ -0-	\$ 49,373	\$ -0-
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>\$ 80,700</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 80,700</u>
<u>FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR</u>	<u>417,694</u>	<u>-0-</u>	<u>-0-</u>	<u>417,694</u>
<u>FUND BALANCES (DEFICIT) AT END OF YEAR</u>	<u>\$ 498,394</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 498,394</u>

See accompanying notes and accountants' report

NEZPIQUE DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH, LOUISIANA

COMPONENT UNIT STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND and DEBT SERVICE FUND
For The Year Ended December 31, 2003

	GENERAL FUND		DEBT SERVICE FUND		VARIANCE
	BUDGET	ACTUAL	BUDGET	ACTUAL	(UNFAVORABLE)
REVENUES					
Ad valorem taxes	\$ 133,000	\$ 144,195	\$ -0-	\$ -0-	\$ -0-
Other Income	-0-	-0-	-0-	-0-	-0-
Interest income	-0-	-0-	-0-	-0-	-0-
TOTAL REVENUES	\$ 133,000	\$ 144,195	\$ -0-	\$ -0-	\$ -0-
EXPENDITURES					
Legislative	\$ 1,500	\$ 1,100	\$ -0-	\$ -0-	\$ -0-
Finance and Administrative	7,500	9,212	-0-	-0-	-0-
Debt Service	-0-	-0-	-0-	-0-	-0-
Public works	3,000	3,810	-0-	-0-	-0-
TOTAL EXPENDITURES	\$ 12,000	\$ 14,122	\$ -0-	\$ -0-	\$ -0-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 121,000	\$ 130,073	\$ -0-	\$ -0-	\$ -0-
OTHER FINANCING SOURCES (USES)					
Operating transfers in	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Operating transfers out	(60,000)	(49,373)	-0-	-0-	-0-
Designated fund balance	-0-	-0-	-0-	-0-	-0-
TOTAL OTHER FINANCING SOURCES (USES)	\$ (60,000)	\$ (49,373)	\$ -0-	\$ -0-	\$ -0-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 61,000	\$ 80,700	\$ -0-	\$ -0-	\$ -0-
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR		417,694			
FUND BALANCE (DEFICIT) AT END OF YEAR		\$ 498,394		\$ -0-	\$ -0-

See accompanying notes and accountants' report

NEZPIQUE DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH, LOUISIANA

NOTES TO THE COMPONENT UNIT FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS

Nature of Operations:

The Nezpique Drainage District, Jefferson Davis Parish, Louisiana was created by the Jefferson Davis Parish Police Jury under the authority provided by the provisions of Part 1, Chapter 7, Title 38 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto. The Nezpique Drainage District, Jefferson Davis Parish, Louisiana was created to open and maintain all natural drains in the district where drainage is accomplished through the natural force of gravity.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

A. Reporting Entity

GASB Codification Section 2100 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Financial Accountability
2. Appointment of a Voting Majority
3. Imposition of Will
4. Financial Benefit to or Burden on a Primary Government
5. Financial Accountability as a result of Fiscal Dependency

Because the police jury has financial accountability and they appointed a voting majority of the board of commissioners Nezpique Drainage District, Jefferson Davis Parish, Louisiana was determined to be a component unit of the Jefferson Davis Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying component unit financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general governmental services provided by that governmental unit, or the governmental units that comprise the governmental reporting entity.

B. Fund Accounting

The accounts of the drainage district are organized on the basis of funds and an account group, 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 comprises its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

1. Governmental Fund Type

General Fund

The General Fund is the general accounting fund of the gravity drainage district. It accounts for all financial resources, except for those required to be accounted for in other funds.

NEZPIQUE DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH, LOUISIANA

NOTES TO THE COMPONENT UNIT FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2003

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund

The Capital Projects Fund accounts for financial resources used to construct and improve drainage facilities within the district.

2. Account Groups

The account groups are not funds. They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

General Long-term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the governmental funds.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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 of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Measurable means that the amount of the transaction can be determined, and available means that the amount of the transaction is collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as a fund liability when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

1. Revenues

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes that are assessed for the calendar year, become due on November 15th of each year, and become delinquent on December 31st. The taxes are generally collected in December of the current year and January and February of the following year. Interest income represents amounts earned on certificates of deposits and insured money market accounts invested with financial institutions. Interest earned on certificates of deposit is recorded when the certificate matures and the interest is available. Interest earned on insured money market accounts is recorded when received. Intergovernmental revenue is recorded when received.

NEZPIQUE DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH, LOUISIANA

NOTES TO THE COMPONENT UNIT FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2003

2. Expenditures

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

3. Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid and proceeds from the sale of bonds are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

D. Budget Practices

The gravity drainage district adopted its budget for 2003 on December 15, 2002. The gravity drainage district does not use encumbrance accounting.

E. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include checking accounts and certificates of deposit (if applicable). Under state law, the gravity drainage district may deposit funds within a fiscal agent bank organized under the laws of the United States, or under the laws of the State of Louisiana, or any other state in the union. Further, the drainage district may invest in time deposits or certificates of deposit of state banks organized under Louisiana Law and national banks having principle offices in Louisiana, or in obligations guaranteed by the federal government.

The Nezpique Drainage District, Jefferson Davis Parish, Louisiana had cash and cash equivalents totaling \$ 349,755 at December 31, 2003. Cash and cash equivalents are stated at cost which approximated market. These deposits must be secured under state law by federal deposit insurance or by the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times be equal to the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to the parties involved.

The following is the district's cash and cash equivalents at December 31, 2003 with the related federal deposit insurance and pledged securities:

- Category 1 – Insured or registered, or securities held by the Drainage District or its agent in District's name.
- Category 2 – Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.
- Category 3 – Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the District's name.

	<u>FDIC/FSLIC</u>	<u>Collateralized</u>
	<u>Category 1</u>	<u>Category 3</u>
Cash and Cash Equivalents	\$ 100,000	\$ 249,755

NEZPIQUE DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH, LOUISIANA

NOTES TO THE COMPONENT UNIT FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2003

F. Receivables

All receivables are reported at their net values, which is the gross receivable less the estimated portion that is expected to be uncollectible.

G. Fixed Assets

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Plant, property, and equipment acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditure and are recorded at cost in the General Fixed Assets Account Group. Nezpique Drainage District, Jefferson Davis Parish, Louisiana had no fixed assets at December 31, 2003.

H. Investments

Under Louisiana Revised Statute 39:1221, the gravity drainage district may invest in certain securities. However, the Nezpique Drainage District, Jefferson Davis Parish, Louisiana chose not to invest in any securities.

I. Total Columns On Component Unit Financial Statements

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

J. Fund Equity

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures. The General Fund of the Nezpique Drainage District Jefferson Davis Parish, Louisiana has fund balance that is unreserved and undesignated; the Debt Service Fund has a fund balance that is reserved; and the Capital Projects Fund has a fund balance that is unreserved but designated for major construction projects.

K. Vacation and Sick Leave

The gravity drainage district has no policies related to vacation and sick leave. The board of commissioners of the district are not employees.

2. LEVIED TAXES

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

2003	
Authorized Millage	Levied Millage
20.98	20.98

3. LITIGATION AND CLAIMS

There is no litigation pending against the drainage district at December 31, 2003.

NEZPIQUE DRAINAGE DISTRICT
JEFFERSON DAVIS PARISH, LOUISIANA

NOTES TO THE COMPONENT UNIT FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2003

4. COMPENSATION OF COMMISSIONERS

As provided by Louisiana R.S. 38:1794, the board members may receive \$100 for each board meeting they attend. The board of commissioners began receiving the per diem in March 1991.

5. USE OF ESTIMATES

The preparation of Nezpique Drainage District's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

6. OFF BALANCE SHEET RISK

The district purchases commercial insurance to reduce the risk of loss due to liability claims and loss due to physical damage to fixed assets should they occur.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Board of Commissioners
Nezpieque Drainage District
Jefferson Davis Parish, Louisiana

We have performed the procedures included in the Louisiana government Audit Guide and enumerated below, which were agreed to by the management of the District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the 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 these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$ 15,000, or public works exceeding \$ 100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures met the above thresholds.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

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

There were no employees during the period under examination.

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

There were no employees.

Budgeting

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

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

6. Trace the budget adoption to the minute book.

We traced the adoption of the original budget to the minutes of meetings held December 15, 2002, which indicated that the budget was approved and adopted by the board of commissioners of Nezpique Drainage District, Jefferson Davis Parish, Louisiana by a unanimous vote.

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 %.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted amounts by more than 5%.

8. Randomly select 6 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

Six 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 full board of Commissioners.

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).

Nezpique Drainage District is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. No evidence supports that the notices were posted. Management has asserted that such documents were properly posted.

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, advance, or gifts.

Nezpique Drainage District had no employees. Examination of the minutes for the year and scanning disbursement for the year indicated no such payments had been made.

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 Nezpique Drainage 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 purpose. However, this report is a matter of public record and its distribution is not limited.

Frederick, Norton, Robert & Schulthess
May 4, 2004

LOUISIANA ATTESTATION QUESTIONNAIRE
NEZPIQUE DRAINAGE DISTRICT JEFFERSON DAVIS PARISH, LOUISIANA
January 19, 2004

Frederick, Norton, Robert & Schulthess, CPAs
Post Office Drawer 1429
Jennings, Louisiana 70546

In connection with your compilation of our financial statements as of December 31, 2002 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 31, 2003.

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 [X] 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 [X] 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 [X] No []

Budgeting

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

Yes [X] No []

Accounting and Reporting

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

Yes [X] No []

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

Yes [X] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes [X] No []

Meetings

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

Yes [X] No []

Debt

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

Yes [X] 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 [X] No []

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

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

<u>Albert R. [Signature]</u>	Secretary	<u>1/19/04</u>
<u>Albert R. [Signature]</u>	Treasurer	<u>1/19/04</u>
<u>Robert [Signature]</u>	President	<u>1/19/04</u>