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**HOSPITAL SERVICE DISTRICT NO. 1C  
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
MANGHAM OUTPATIENT CLINIC  
Mangham, Louisiana**

**Component Unit Financial Statements  
Year Ended December 31, 2001**

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 5/29/02

Karen M. Hollis, CPA  
802 Julia Street, Suite D  
PO Box 397  
Rayville, Louisiana 71269  
(318) 728-6588

**HOSPITAL SERVICE DISTRICT NO. 1C  
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
MANGHAM OUTPATIENT CLINIC  
Mangham, Louisiana**

Component Unit Financial Statements  
As of and for the Year Ended December 31, 2001  
With Supplemental Information Schedules

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The CPA. Never Underestimate The Value.

**KAREN M. HOLLIS, CPA**

RECEIVED  
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Accountant's Report

BOARD OF COMMISSIONERS  
HOSPITAL SERVICE DISTRICT NO. 1C  
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
MANGHAM OUTPATIENT CLINIC  
Mangham, Louisiana

I have compiled the accompanying component unit financial statements of the Hospital Service District No. 1C, a component unit of the Richland Parish Police Jury, as of and for the year ended December 31, 2001, and the accompanying supplementary information contained in Schedules I, II, and III, which is presented only for supplementary analysis purposes, 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 and supplementary schedules information that is the representation of the Board. I have not audited or reviewed the accompanying financial statements or supplementary schedule and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report, dated April 19, 2002, on the results of my agreed upon procedures.

*Karen M. Hollis*

Rayville, Louisiana  
April 19, 2002

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PO Box 397  
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**HOSPITAL SERVICE DISTRICT NO. 1C**  
**OF THE PARISH OF RICHLAND, STATE OF LOUISIANA**  
**MANGHAM OUTPATIENT CLINIC**  
**Mangham, Louisiana**  
**HOSPITAL ENTERPRISE FUND**

**Balance Sheet - Unrestricted Funds**  
**December 31, 2001**

<b>ASSETS</b>	<u>2001</u>
Current	
Cash and cash equivalents	\$75,063
Receivables	<u>6,000</u>
Total Current Assets	81,063
Property, plant and equipment, less accumulated depreciation of \$5,712 in 2001	<u>800</u>
Total Assets	<u><u>\$81,863</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
Current	
Current portion of lease obligation	<u>\$1,797</u>
Total Current Liabilities	1,797
Long-Term	
Capital lease obligations	<u>0</u>
Total Liabilities	1,797
Fund Balance-Unrestricted	<u>80,066</u>
Total Liabilities and Fund Balance	<u><u>\$81,863</u></u>

See the accountant's report and the accompanying notes.

**HOSPITAL SERVICE DISTRICT NO. 1C**  
**OF THE PARISH OF RICHLAND, STATE OF LOUISIANA**  
**MANGHAM OUTPATIENT CLINIC**  
 Mangham, Louisiana  
**HOSPITAL ENTERPRISE FUND**

**Statements of Operations - Unrestricted Funds**  
**Year Ended December 31, 2001**

	<u>2001</u>
<b>REVENUES</b>	
Operating Revenue	<u>\$12,000</u>
Total revenues	<u>12,000</u>
<b>EXPENSES</b>	
Depreciation	1,904
Insurance	1,304
Interest	430
Professional fees	500
Repairs	1,032
Supplies	<u>2,215</u>
Total expenses	<u>7,385</u>
<b>OPERATING INCOME (LOSS)</b>	4,615
<b>NON-OPERATING INCOME (LOSS)</b>	
Surplus Bond Issue	<u>51,680</u>
Total Non-operating Income (Loss)	<u>51,680</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u><u>\$56,295</u></u>

See the accountant's report and the accompanying notes.

HOSPITAL SERVICE DISTRICT NO. 1C  
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
 MANGHAM OUTPATIENT CLINIC  
 Mangham, Louisiana  
 HOSPITAL ENTERPRISE FUND

Statement of Changes in Fund Balance - Unrestricted Funds  
 Year Ended December 31, 2001

	<u>2001</u>
<b>CHANGES IN FUND BALANCE:</b>	
Balance, beginning of year	\$23,771
Excess of revenue over expenses	<u>56,295</u>
Fund balance, December 31	<u><u>\$80,066</u></u>
 <b>COMPOSITION OF FUND BALANCE:</b>	
Excess of revenue over expenses	<u>\$80,066</u>
Total	<u><u>\$80,066</u></u>

See the accountant's report and the accompanying notes.

HOSPITAL SERVICE DISTRICT NO. 1C  
 OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
 MANGHAM OUTPATIENT CLINIC  
 Mangham, Louisiana  
 HOSPITAL ENTERPRISE FUND

Statement of Cash Flows - Unrestricted Funds  
 Year Ended December 31, 2001

	<u>2001</u>
Cash Flows from Operating Activities:	
Operating income (loss)	\$56,295
Interest expense considered capital financing activity	430
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	1,904
Change in current assets (increase) decrease	
Accounts receivable	<u>(1,500)</u>
Net cash provided by operating activities	<u>57,129</u>
Cash Flows from Investing Activities:	
Net cash provided by investing activities	<u>0</u>
Cash Flows from Capital and Related Financing Activities:	
Principal payments on lease	(1,307)
Interest paid on lease	<u>(430)</u>
Net cash used by capital and related financing activities	<u>(1,737)</u>
Net increase (decrease) in cash and cash equivalents	55,392
Cash and cash equivalents, beginning of year	<u>19,671</u>
Cash and cash equivalents, end of year	<u><u>\$75,063</u></u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for:	
Interest	<u><u>\$430</u></u>

See the accountant's report and the accompanying notes.



**HOSPITAL SERVICE DISTRICT NO. 1C  
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
MANGHAM OUTPATIENT CLINIC  
Mangham, Louisiana**

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2001

**INTRODUCTION**

Hospital Service District No. 1C (the Hospital or the District) was created by an ordinance of the Richland Parish Police Jury on October 27, 1998, for the purpose of providing outpatient care and to promote the general health of the community. The Hospital is comprised of and embraces the territory contained within Wards 5 through 7 of the Parish of Richland, State of Louisiana, as constituted as of the date of the ordinance. The Hospital is governed by a board of commissioners consisting of five members. The commissioners are appointed by the Richland Parish Police Jury and receive no compensation for their services. The Hospital has no employees.

Effective as of November 3, 1998, Hospital Service District No. 1B (which operated hospitals in Delhi and Rayville and the clinic in Mangham) transferred operations and management of the Mangham Outpatient Clinic to Hospital Service District No. 1C.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying component unit financial statements of the Hospital Service District No. 1C 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**

The Hospital is a component unit of the Richland Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the Hospital because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the Hospital 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 financial reporting entity.

**C. FUND ACCOUNTING**

Enterprise Funds are 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



**HOSPITAL SERVICE DISTRICT NO. 1C  
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
MANGHAM OUTPATIENT CLINIC  
Mangham, Louisiana  
Notes to the Financial Statements (Continued)**

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.

**D. BASIS OF ACCOUNTING**

The Hospital uses the accrual method of accounting. Revenues consist of rental income from the physician currently leasing the building. This revenue is reported at the amount realized each month. Expenses are recorded when incurred. Hospital accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, the *AICPA Audit and Accounting Guide – Health Care Organizations* published by the American Institute of Certified Public Accountants.

**E. CASH AND CASH EQUIVALENTS**

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

**F. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment is recorded as expenditures at the time purchased, constructed, or at fair market value on the date of donation. The Hospital uses straight-line depreciation for financial reporting. The following estimated useful lives are generally used.

Machinery and Equipment	3 to 20 years
-------------------------	---------------

Expenditures for additions, major renewals and betterments are capitalized and expenditures for maintenance and repairs are charged to operations as incurred.

**G. SIGNIFICANT CONCENTRATION OF ECONOMIC DEPENDENCE**

The Hospital has an economic dependence on one physician that rents the Clinic space from the Hospital.

**2. CASH AND CASH EQUIVALENTS**

Included in cash and cash equivalents are deposits with the depository bank for the checking account. Of the \$75,063 total deposits at December 31, 2001, \$75,063 was secured at balance

**HOSPITAL SERVICE DISTRICT NO. 1C  
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
MANGHAM OUTPATIENT CLINIC  
Mangham, Louisiana  
Notes to the Financial Statements (Continued)**

sheet date by federal depository insurance coverage. For all deposits, the market value and carrying value are the same.

**3. RECEIVABLES**

A summary of accounts receivable is presented below:

	<u>2001</u>
Accounts Receivable	<u>\$6,000</u>
Total	<u><u>\$6,000</u></u>

**4. CHANGES IN PROPERTY, PLANT AND EQUIPMENT**

The following is a summary of property, plant and equipment and related accumulated depreciation for the year ended December 31.

<u>ASSET COST</u>	<u>31-Dec 2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 31-Dec 2001</u>
Equipment	\$6,512	\$0	\$0	\$6,512
Total	<u>\$6,512</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,512</u>

<u>ACCUMULATED DEPRECIATION</u>	<u>31-Dec 2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>31-Dec 2001</u>
Equipment	\$3,808	\$1,904	\$0	\$5,712
Total	<u>\$3,808</u>	<u>\$1,904</u>	<u>\$0</u>	<u>\$5,712</u>

**5. PENSION PLAN**

**HOSPITAL SERVICE DISTRICT NO. 1C  
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
MANGHAM OUTPATIENT CLINIC  
Mangham, Louisiana  
Notes to the Financial Statements (Continued)**

The Hospital has no employees and therefore does not contribute to a pension plan.

**6. LEASES**

A lease purchase obligation for a AFP MiniMed 90 Automatic Film Processor was entered into on May 17, 1999. The lease calls for 36 monthly payments of \$195 which includes principal and interest of 14% per annum plus sales tax. The lease is secured by the Processor. The asset is recorded at fair value and depreciated over its estimated productive life.

**7. AFFILIATED ORGANIZATION**

Affiliated organizations include Richland Parish Hospital Service District No.1, Richland Parish Hospital Service District No. 1B and 1A, and the Richland Parish Police Jury. The Hospitals are related because they are all political subdivisions of the Richland Parish Police Jury who appoints their commissioners.

During the fiscal year ended December 31, the Hospital had no transactions or ending balances with its affiliated organizations as listed above.

**8. INSURANCE**

The Hospital is required by the operating agreement to carry \$1,000,000 of general liability. The Hospital Service District No. 1B will carry the building and contents insurance and any physicians leasing the building must carry their own professional liability insurance.

**9. LITIGATION AND CLAIMS**

The Hospital is not aware of any lawsuits or possible threats of any lawsuits at December 31.

**10. BOND SURPLUS**

The surplus bond issue receipts are the result of funds available after bond issue had been paid off on the Richland Parish Hospital Service District No. 1 millage in February, 2001. An agreement was reached with the Richland Parish Police Jury for a one time settlement for the Hospital based on number of years in existence and estimated number of taxpayers involved. Any future bond issues will have to be presented for voter approval in the Hospital's boundaries.

**HOSPITAL SERVICE DISTRICT NO. 1C  
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
MANGHAM OUTPATIENT CLINIC  
Mangham, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES  
For the Year Ended December 31, 2001**

**COMPENSATION PAID BOARD MEMBERS**

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

**PRIOR AUDIT FINDINGS**

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 2).

**CURRENT AUDIT FINDINGS**

The corrective action plan for current year audit findings is presented in Schedule 3.

**HOSPITAL SERVICE DISTRICT NO. 1C**  
**OF THE PARISH OF RICHLAND, STATE OF LOUISIANA**  
**MANGHAM OUTPATIENT CLINIC**  
**Mangham, Louisiana**  
**HOSPITAL ENTERPRISE FUND**

**Schedule of Compensation Paid Board Members**  
**Year Ended December 31, 2001**

	<u>TERM</u>		
	<u>BEGAN</u>	<u>ENDING</u>	<u>2001</u>
Johnny L. Natt	10/28/1998	10/28/2002	NONE
Ida G. Roberts	10/28/1998	10/28/2002	NONE
Robert N. Harwell	10/28/1998	10/28/2004	NONE
Danny Karen Williamson	10/28/2000	10/28/2002	NONE
Zona McKay	10/28/2000	10/28/2002	NONE

See the accountant's report and the accompanying notes.

**HOSPITAL SERVICE DISTRICT NO. 1C  
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
MANGHAM OUTPATIENT CLINIC  
Mangham, Louisiana**

**Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2001**

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

There are no prior year findings.



**HOSPITAL SERVICE DISTRICT NO. 1C  
OF THE PARISH OF RICHLAND, STATE OF LOUISIANA  
MANGHAM OUTPATIENT CLINIC  
Mangham, Louisiana**

**Corrective Action Plan for  
Current Year Audit Findings  
For the Year Ended December 31, 2001**

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
Section I - Internal Control and Compliance Material to the Financial Statements:				
Section II - Management Letter:				

There are no current year findings.



**KAREN M. HOLLIS, CPA**

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Board of Commissioners  
Hospital Service District No. 1C  
of the Parish of Richland  
Mangham Outpatient Clinic

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Hospital Service District No. 1C and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Hospital Service District No. 1C compliance with certain laws and regulations during the year ended December 31, 2001 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

*Public Bid Law*

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

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

*Code of Ethics for Public Officials and Public Employees*

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

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

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

The Hospital has no employees.

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Phone: 318-728-6588  
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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) except that insurance acquired for the Hospital is provided through Gary Gilley, who is listed as the son of Commissioner Ida Roberts. The Commissioner has resigned in April, 2002.

#### *Budgeting*

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

No budget adopted. Not applicable for hospital service districts.

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 failed to meet budgeted revenues by 5 % or more or if actual expenditures exceed budgeted amounts by 5% or more.

Not Applicable.

#### *Accounting and Reporting*

8. Randomly select 6 disbursements made during the period under examination and:

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

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

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

All 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 treasurer. In addition, each disbursement over \$100 must have board approval. No exceptions were found.

#### *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).

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

#### *Debt*

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

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

*Advances and Bonuses*

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

The Hospital has no employees to review records for advances or bonuses.

My prior year report, dated March 21, 2001, did not include any comments or unresolved matters.

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

This report is intended solely for the use of management of Hospital Service District No. 1C 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Rayville, Louisiana  
April 19, 2002

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

Dear Chief Executive Officer:

Attached is the *Louisiana Attestation Questionnaire* that is to be completed by you or your staff. This questionnaire is a required part of the compilation and attestation engagement of Louisiana governmental units. Upon completion, the questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected governmental officials should sign the document, in lieu of such a resolution. In all instances, this compliance questionnaire is to be given to the auditor at the start of the audit; it is not necessary to return the questionnaire to my office.

The completed questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the auditor at the beginning of the engagement.** The auditor will, during the course of his engagement, perform certain agreed-upon procedures to the responses in the questionnaire.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the auditor during the course of his engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,  
Daniel G. Kyle, CPA, CFE  
Legislative Auditor



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

Karen M Hollis CPA (Date Transmitted)  
PO Box 397  
Rayville LA 71269 (Auditors)

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

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

## Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes ☒ No ☐

## Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [ ] No [☒]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [ ] No [X]

## Budgeting

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

Yes [☒] No [☐]

## Accounting and Reporting

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

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

Yes ☒ No ☐

#### Meetings

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

Yes ☒ No ☐

#### Debt

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

Yes ☒ No ☐

#### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

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

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

Margie McKay Secretary 4-17-02 Date

\_\_\_\_\_  
Treasurer \_\_\_\_\_ Date

John Roberts President 4-17-02 Date