

**TOWN OF POLLOCK, LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

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February 2, 2001

Independent Auditors' Report

To the Mayor and Board of Aldermen  
Town of Pollock, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Pollock, Louisiana as of December 31, 2000 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurances about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Pollock, Louisiana, as of December 31, 2000, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 2, 2001, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for

***Town of Pollock***  
***February 2, 2001***

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purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements of the Town of Pollock. The supplemental information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Pollock. The schedule of expenditures of federal awards and the supplemental information have been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Rozier, Harrington & McKay*

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February 2, 2001

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Town of Pollock, Louisiana  
Pollock, Louisiana

We have audited the financial statements of the Town of Pollock, Louisiana, as of and for the year ended December 31, 2000, and have issued our report thereon dated February 2, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Town of Pollock, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Town of Pollock, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being

*Town of Pollock*  
*February 2, 2001*

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audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

*Rozier, Harrington & McKay*

ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

**TOWN OF POLLOCK, LOUISIANA**  
**ALL FUND TYPES AND ACCOUNT GROUPS**

Combined Balance Sheet  
 December 31, 2000

	Governmental Funds		Proprietary Funds		Account Group		Total (Memorandum Only)
	General Fund	Capital Projects Funds	Enterprise Funds	General Fixed Assets			
<b>ASSETS</b>							
Cash	\$ 63,925	\$ 75,832	\$ 224,497	\$ -	\$ 364,254		
Receivables	6,757	-	30,126	-	36,883		
Due from other funds	21,767	-	15,835	-	37,602		
Due from other governmental units	2,818	-	46,059	-	48,877		
Restricted assets:							
Cash	-	-	451,905	-	451,905		
Advances to other funds	-	-	416,898	-	416,898		
Land, buildings and equipment (net of accumulated depreciation)	-	-	11,922,977	305,771	12,228,748		
<b>Total assets</b>	<b>\$ 95,267</b>	<b>\$ 75,832</b>	<b>\$ 13,108,297</b>	<b>\$ 305,771</b>	<b>\$ 13,585,167</b>		

*The accompanying notes are an integral part of this statement.*

**TOWN OF POLLOCK, LOUISIANA**  
**ALL FUND TYPES AND ACCOUNT GROUPS**

Combined Balance Sheet  
 December 31, 2000

	Governmental Funds		Proprietary Funds Enterprise Funds	Account Group	
	General Fund	Capital Projects Funds		General Fixed Assets	Total (Memorandum Only)
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES:</b>					
Accounts and other payables	\$ 9,905	\$ -	\$ 66,008	\$ -	\$ 75,913
Interfund payables	985	-	36,617	-	37,602
Payable from restricted assets:					
Accrued interest payable	-	-	73,272	-	73,272
Current portion - bonds payable	-	-	29,688	-	29,688
Advances from other funds	274,583	-	142,315	-	416,898
Deposits due others	-	-	19,562	-	19,562
General obligation bonds payable	-	-	23,950	-	23,950
Revenue bonds payable	-	-	2,932,255	-	2,932,255
<b>Total liabilities</b>	<b>\$ 285,473</b>	<b>\$ -</b>	<b>\$ 3,323,667</b>	<b>\$ -</b>	<b>\$ 3,609,140</b>
<b>EQUITY:</b>					
Investment in general fixed assets	-	-	-	305,771	305,771
Contributed capital	-	-	8,198,065	-	8,198,065
Retained Earnings:					
Reserved by bond covenants	-	-	149,771	-	149,771
Reserved for airport operations	-	-	473,757	-	473,757
Unreserved	-	-	963,037	-	963,037
Fund Balances:					
Unreserved					
Undesignated	(190,206)	75,832	-	-	(114,374)
<b>Total equity</b>	<b>(190,206)</b>	<b>75,832</b>	<b>9,784,630</b>	<b>305,771</b>	<b>9,976,027</b>
<b>Total liabilities and equity</b>	<b>\$ 95,267</b>	<b>\$ 75,832</b>	<b>\$ 13,108,297</b>	<b>\$ 305,771</b>	<b>\$ 13,585,167</b>

The accompanying notes are an integral part of this statement.



**TOWN OF POLLOCK, LOUISIANA  
GOVERNMENTAL FUNDS**

Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended December 31, 2000

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<b><u>REVENUES:</u></b>			
Taxes:			
Ad valorem	\$ 8,953	\$ -	\$ 8,953
Sales taxes	52,860	-	52,860
Franchise taxes	15,603	-	15,603
Licenses and permits	26,236	-	26,236
Intergovernmental:			
Other state funds	5,392	493,353	498,745
Fines and forfeitures	87,415	-	87,415
Use of money and property	2,150	1,379	3,529
Other	17,807	-	17,807
<b>Total revenues</b>	<u>216,416</u>	<u>494,732</u>	<u>711,148</u>
<b><u>EXPENDITURES:</u></b>			
General government	127,622	-	127,622
Public safety	91,386	-	91,386
Capital outlay	-	614,643	614,643
Sanitation	11,159	-	11,159
	-	-	-
<b>Total expenditures</b>	<u>230,167</u>	<u>614,643</u>	<u>844,810</u>
<b>Excess (deficiency) of revenues     over expenditures</b>	(13,751)	(119,911)	(133,662)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>			
Operating transfers in	37,750	801	38,551
Operating transfers out	(12,609)	(24,969)	(37,578)
<b>Excess (deficiency) of revenues and     other sources over expenditures     and other uses</b>	11,390	(144,079)	(132,689)
<b>Fund balance (deficit) - beginning of year:</b>	<u>(201,596)</u>	<u>219,911</u>	<u>18,315</u>
<b>Fund balance (deficit) - end of year</b>	<u>\$ (190,206)</u>	<u>\$ 75,832</u>	<u>\$ (114,374)</u>

*The accompanying notes are an integral part of this statement.*

**TOWN OF POLLOCK, LOUISIANA  
GENERAL FUND**

Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Cash Basis) and Actual (Cash Basis)  
For the Year Ended December 31, 2000

	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b><u>REVENUES:</u></b>			
Taxes:			
Ad valorem taxes	\$ 6,500	\$ 8,569	\$ 2,069
Sales taxes	55,000	53,468	(1,532)
Franchise taxes	16,000	15,603	(397)
Licenses and permits	26,000	26,236	236
Intergovernmental:			
Other state funds	-	5,838	5,838
Fines and forfeitures	90,000	87,415	(2,585)
Use of money and property	2,500	2,150	(350)
Other	15,000	17,807	2,807
<b>Total revenues</b>	211,000	217,086	6,086
<b><u>EXPENDITURES:</u></b>			
General government	175,650	143,450	32,200
Public safety	93,000	91,131	1,869
Sanitation	10,200	18,915	(8,715)
<b>Total expenditures</b>	278,850	253,496	25,354
<b>Excess (deficiency) of revenues over expenditures</b>	(67,850)	(36,410)	31,440
<b><u>OTHER FINANCING SOURCES (USES):</u></b>			
Operating transfers in	-	25,299	25,299
Operating transfers out	-	(12,609)	(12,609)
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	(67,850)	(23,720)	44,130
<b>Cash balance (deficit) - beginning of year</b>	87,645	87,645	-
<b>Cash balance (deficit) - end of year</b>	\$ 19,795	\$ 63,925	\$ 44,130

*The accompanying notes are an integral part of this statement.*

**TOWN OF POLLOCK, LOUISIANA  
PROPRIETARY FUNDS**

Combined Statement of Revenues, Expenses and  
Changes in Retained Earnings  
For the Year Ended December 31, 2000

	<u>PROPRIETARY FUNDS</u> <u>ENTERPRISE</u> <u>FUNDS</u>
<b><u>OPERATING REVENUES:</u></b>	
Water sales	337,019
Sewer services	156,544
Other	22,115
	<hr/>
<b>Total operating revenues</b>	515,678
	<hr/>
<b><u>OPERATING EXPENSES:</u></b>	
Depreciation	137,439
Fuel purchases	3,640
Insurance	11,771
Legal and professional	15,253
Miscellaneous	27,236
Office expense	7,431
Payroll taxes and benefits	12,778
Repairs and maintenance	24,892
Salaries and wages	89,505
Utilities and telephone	30,959
	<hr/>
<b>Total operating expenses</b>	360,904
	<hr/>
<b>Operating income (loss)</b>	154,774
<b><u>NONOPERATING REVENUES (EXPENSES):</u></b>	
Ad valorem taxes	2,748
Interest income	15,053
Interest expense	(67,401)
Gain on transfer of land	140,864
	<hr/>
<b>Net income (loss) before operating transfers</b>	246,038
	<hr/>
<b>Operating transfers in (out)</b>	(973)
	<hr/>
<b>Net income (loss)</b>	245,065
	<hr/>
<b>Add depreciation on fixed assets acquired with contributed capital</b>	86,827
	<hr/>
<b>Net increase (decrease) in retained earnings</b>	331,892
	<hr/>
<b>Retained earnings - beginning of year</b>	1,254,673
	<hr/>
<b>Retained earnings - end of year</b>	<u>\$ 1,586,565</u>

*The accompanying notes are an integral part of this statement.*

**TOWN OF POLLOCK, LOUISIANA  
PROPRIETARY FUNDS**

Combined Statement of Cash Flows  
For the Year Ended December 31, 2000

	<u>PROPRIETARY FUNDS</u> <u>Enterprise Funds</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	
Operating income	\$ 154,774
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	137,439
(Increase) decrease in receivables from utility sales	(17,470)
Increase (decrease) in accounts and other payables	850
Increase (decrease) in deposits due others	292
<b>Net cash provided (used) by operating activities</b>	<b>275,885</b>
 <b><u>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES:</u></b>	
Repayment of advance	2,000
Increase (decrease) in due to other funds	21,767
Operating transfers from (to) general fund	11,478
Ad valorem tax receipts	4,711
<b>Net cash provided (used) by non-capital financing activities</b>	<b>39,956</b>
 <b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>	
Gain on transfer of land	140,864
Grant proceeds received	905,194
Proceeds from revenue bonds	1,743,004
Asset acquisitions	(2,622,575)
Interest paid on general obligations and revenue bonds	(46,792)
Principal paid on general obligation bonds	(1,000)
Principal paid on revenue bonds	(17,380)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>101,315</b>
 <b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>	
Interest income	15,053
<b>Net cash provided (used) by investing activities</b>	<b>15,053</b>
 <b>Net increase (decrease) in cash</b>	 432,209
<b>Beginning cash balance</b>	<b>244,193</b>
<b>Ending cash balance</b>	<b>676,402</b>
<b>Restricted cash balance</b>	<b>451,905</b>
<b>Unrestricted cash balance</b>	<b>\$ 224,497</b>

**Supplemental Disclosure of Cash Flow Information:**

For the year ended December 31, 2000, the Town's Airport Fund reduced the balance due on its advance to the General Fund by \$12,451 in exchange for services provided by the General Fund.

*The accompanying notes are an integral part of this statement.*

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Pollock (the Town) was incorporated under the provisions of the Lawrason Act. The Town is governed by a Mayor and a Board of Alderman consisting of five (5) members. Services provided by the Town include police protection, sanitation and street maintenance. The Town also operates a municipal airport, a water distribution system, and a sewer system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

**Financial Reporting Entity**

As the municipal governing authority, for reporting purposes, the Town is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Town), (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 Town of Pollock for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. 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 town to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
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.

Based upon application of the these criteria, there were no potential component units and all of the Town's activities were included in the primary government reporting entity.

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

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**Fund Accounting**

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

**Governmental Fund Type**

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

Capital Projects Funds - Account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental funds.

**Proprietary Funds**

Enterprise Funds - 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 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.

**Account Groups**

General Fixed Assets Account Group - This group of accounts is used to account for fixed assets of the Town other than those accounted for in the proprietary fund.

**Basis Of Accounting**

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

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

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

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

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

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

The basis of accounting followed by proprietary funds is similar to accounting practices utilized by business enterprises. Due to these similarities, proprietary funds are allowed to follow certain pronouncements that are developed by the Financial Accounting Standards Board (FASB) for business enterprises. However, the Town only applies those FASB pronouncements that were issued on or before November 30, 1989.

**Use Of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Restricted Assets:**

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants.

**Budget Practices:**

The Mayor prepares an annual budget for the Town's general fund. This budget is submitted to the Board of Aldermen and an approved budget is adopted before the beginning of each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

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

**Fixed Assets:**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Since the Town does not capitalize infrastructures, these items are excluded from the general fixed assets account group. No depreciation has been provided on general fixed assets.

General fixed assets are reported at historical costs, including capitalized interest. For items acquired prior to January 1, 1995, there were few records supporting historical cost. Current replacement cost has been used as a basis for estimating historical cost incurred prior to January 1, 1995.

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

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Property and equipment used in the proprietary fund operations are recorded at cost or estimated historical cost, including capitalized interest. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Prior to January 1, 1995, there were few records supporting the cost; therefore, costs were estimated based on research performed by the Town's consulting engineers.

**Cash And Cash Equivalents:**

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

**Encumbrance Accounting:**

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

**Interfund Transactions:**

Interfund transactions are reported as operating transfers when the recipient fund is not expected to provide repayment. Transactions that are expected to result in repayment are reported as interfund receivables and payables. Any interfund receivables and payables that are not expected to be repaid within one year are classified as advances.

**Total Columns On Combined Statements:**

Total columns on the combined statements are captioned "Memorandum" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund transactions are not eliminated during the preparation of combined financial statements.

**Statement Of Cash Flows:**

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

**Fund Equity:**

**Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.



**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

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**Reserves**

Reserves represent those portions of fund equity legally segregated for a specific future use.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At December 31, 2000 the Town's cash balance totaled \$816,159 (book balance) and \$1,002,491 (bank balance). The composition of these accounts is as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Enterprise Funds</u>	<u>Total</u>
Cash	\$ 63,925	\$ 75,832	\$ 224,497	\$ 364,254
Restricted Cash	---	---	451,905	451,905
<b>Total Cash</b>	<b>\$ 63,925</b>	<b>\$ 75,832</b>	<b>\$ 676,402</b>	<b>\$ 816,159</b>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2000, the Town has \$1,002,491 in deposits (collected bank balance). These deposits are secured from risk by \$244,946 of federal deposit insurance and \$974,507 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 3 - RECEIVABLES**

At December 31, 2000, amounts to be collected by the Town are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Enterprise Funds</u>	<u>Total</u>
<b><u>Accounts Receivable</u></b>				
Utility Accounts	\$ ---	\$ ---	\$ 13,811	\$ 13,811
Ad Valorem Taxes	3,207	---	---	3,207
Other receivables	---	---	16,315	16,315
Franchise Taxes	3,550	---	---	3,550
<b>Total Accounts Receivable</b>	<b>\$ 6,757</b>	<b>\$ ---</b>	<b>\$ 30,126</b>	<b>\$ 36,883</b>

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

At December 31, 2000 there were no material amounts of uncollectible receivables and there was no provision recorded on the books.

**NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS**

At December 31, 2000, the following amounts were due to the Town from various governmental agencies:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Enterprise Funds</u>	<u>Total</u>
<b><u>Due From Other Governmental Units</u></b>				
State of La. - Construction Projects	\$ ---	\$ ---	\$ 46,059	\$ 46,059
Grant Parish - Sales Taxes	2,818	---	---	2,818
<b>Total Due From Other Governmental Units</b>	<b>\$ 2,818</b>	<b>\$ ---</b>	<b>\$ 46,059</b>	<b>\$ 48,877</b>

**NOTE 5 - LONG-TERM DEBT**

The following is a summary of bond transactions for the year ended December 31, 2000:

	<u>General Obligation</u>	<u>Utility Revenue</u>	<u>Total</u>
Bonds Payable, December 31, 1999	\$ 25,950	\$ 1,235,319	\$ 1,261,269
Issued	---	1,743,200	1,743,200
Retired	1,000	17,576	18,576
Bonds Payable, December 31, 2000	\$ 24,950	\$ 2,960,943	\$ 2,985,893
Less: current portion	1,000	28,688	29,688
<b>Long-term</b>	<b>\$ 23,950</b>	<b>\$ 2,932,255</b>	<b>\$ 2,956,205</b>

At December 31, 2000, the following Bond Issues were outstanding:

	<u>Outstanding Balance</u>	
	<u>General Obligation</u>	<u>Utility Revenue</u>
\$220,000 Water Revenue Bonds dated October 30, 1975, due in annual installments ranging from \$2,000 to \$13,000 plus interest at 5%, final installment due January 1, 2015.	\$ ---	\$ 123,485
\$25,000 Water Public Improvement Bonds Series A dated October 31, 1975, due in annual installments ranging from \$500 to \$1,000 plus interest at 5%, final installment due January 1, 2015.	12,475	---

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

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	<u>Outstanding Balance</u>	
	<u>General Obligation</u>	<u>Utility Revenue</u>
\$25,000 Water Public Improvement Bonds Series B dated October 31, 1975, due in annual installments ranging from \$500 to \$1,000 plus interest at 5%, final installment due January 1, 2015.	12,475	---
\$225,000 Sewer Revenue Bonds dated November 10, 1981, due in annual installments ranging from \$2,000 to \$12,000 plus interest at 5%, final installment due November 10, 2021.	---	168,762
\$25,000 Water Revenue Bonds dated December 27, 1979, due in annual installments ranging from \$500 to \$1,000 plus interest at 5%, final installment due January 1, 2018.	---	14,366
\$140,000 Water Revenue Bonds dated June 22, 1983, due in annual installments ranging from \$1,000 to \$9,000 plus interest at 7.375%, final installment due January 1, 2023.	---	105,218
\$23,215 Rescheduling of Water Revenue Bonds per agreement dated February 7, 1997, due in monthly installments of \$151 including interest of 5%, final installment due December 7, 2015.	---	18,643
\$2,525,000 Utility Revenue Bonds, dated May 12, 1999, with proceeds to be collected in installments for the purpose of funding construction costs. Due in monthly installments of \$11,994 including interest of 4.75% beginning May 12, 2001, final installment due May 12, 2039.	---	2,524,804
\$6,292 Rescheduling of Water Revenue Bonds per agreement dated February 7, 1997, due in monthly installments of \$44 including interest at 7.375%, final installment due August 7, 2023.	---	5,665
<b>Total</b>	<b>\$ 24,950</b>	<b>\$ 2,960,943</b>

During the year ended December 31, 2000, the Town's enterprise funds incurred interest in the amount of \$136,616. A portion of interest incurred totaling \$67,401 was reported as expense and the remaining \$69,215 was capitalized as construction costs on the wastewater plant. A schedule of maturities of long-term debt follows for the years ended December 31:

	<u>General Obligation</u>	<u>Utility Revenue</u>	<u>Total</u>
2001	\$ 1,000	\$ 28,688	\$ 29,688
2002	1,000	41,788	42,788

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

	<u>General Obligation</u>	<u>Utility Revenue</u>	<u>Total</u>
2003	1,000	43,070	44,070
2004	1,000	44,415	45,415
2005	2,000	47,824	49,824
Thereafter	18,950	2,755,158	2,774,108
<b>Total</b>	<b>\$ 24,950</b>	<b>\$ 2,960,943</b>	<b>\$ 2,985,893</b>

**NOTE 6 - PROPERTY AND EQUIPMENT**

A summary of the property and equipment at December 31, 2000 consists of the following:

	<u>Balance 12/31/99</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/00</u>
<b><u>General Fixed Assets</u></b>				
Buildings	\$ 104,365	\$ —	\$ —	\$ 104,365
Vehicles	34,735	—	—	34,735
Equipment	17,807	—	—	17,807
Land	—	148,864	—	148,864
<b>Totals</b>	<b>\$ 156,907</b>	<b>\$ 148,864</b>	<b>\$ —</b>	<b>\$ 305,771</b>

	<u>Balance 12/31/99</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/00</u>
<b><u>Proprietary Fund Fixed Assets</u></b>				
Water Distribution System	\$ 973,910	\$ —	\$ —	\$ 973,910
Wastewater System	1,748,521	—	—	1,748,521
Airport Improvements	180,400	—	—	180,400
Prison Utility System	—	7,454,731	—	7,454,731
Construction in Progress	7,954,335	2,291,043	(7,454,731)	2,790,647
Land	20,600	—	—	20,600
<b>Total</b>	<b>10,877,766</b>	<b>9,745,774</b>	<b>(7,454,731)</b>	<b>13,168,809</b>
Less Accumulated Depreciation	(1,108,393)	(137,439)	—	(1,245,832)
<b>Net Property and Equipment</b>	<b>\$ 9,769,373</b>	<b>\$ 9,608,335</b>	<b>\$ (7,454,731)</b>	<b>\$ 11,922,977</b>

For the year ended December 31, 2000, depreciation expense totaled \$137,439.

**NOTE 7 - AD VALOREM TAXES**

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Grant Parish. For the year ended December 31, 2000, the Town levied 7.33 mills for general corporate purposes and 2.25 mills for debt service on general obligation bonds issued by the waterworks enterprise fund.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed. There were no material amounts of uncollectible ad valorem taxes at December 31, 2000.

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

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**NOTE 8 - CAPITAL OUTLAY**

In order to enhance the local economy, the Town has made property available for the construction of a Federal Prison. Certain infrastructure improvements are needed to make the prison site suitable for its intended purpose. Funding for the additional infrastructure has been appropriated by the State Legislature. The following projects have been included in the State's Capital Outlay Program:

Planning for water supply and sewage treatment disposal for the U.S. Correctional Complex	\$ 565,000
Construction of water supply and sewage treatment disposal facilities to serve the U.S. Correctional Complex	3,000,000
Construction of access roads for the U.S. Correctional Complex	3,180,000
<b>Total Funding</b>	<b>\$ 6,745,000</b>

Amounts which have been expended from the previously described funds are summarized as follows:

	<u>Current Expenditures</u>	<u>Previous Expenditures</u>	<u>Total</u>
Water Supply and Sewage Treatment:			
Planning	\$ ---	\$ 565,000	\$ 565,000
Construction	---	2,984,432	2,984,432
Construction of Access Roads	493,353	2,297,294	2,790,647
<b>Total Capital Outlay Expenditures</b>	<b>\$ 493,353</b>	<b>\$ 5,846,726</b>	<b>\$ 6,340,079</b>

**NOTE 9 - CONTRIBUTED CAPITAL**

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

Beginning Balance	\$ 7,333,639
Grant funding – USDA	457,900
Capital outlay funds – State of La.	493,353
Depreciation on Improvements Financed with Contributed Capital	(86,827)
<b>Ending Balance</b>	<b>\$ 8,198,065</b>

**NOTE 10 - RISK MANAGEMENT**

The Town is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town insures against these risk described above by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance coverage. Settled claims resulting from these insured risk have not exceeded insurance coverage in any of the past three fiscal years.

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

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**NOTE 11 - PENSION PLAN**

The Chief of Police is the only employee eligible for retirement benefits. The Chief of Police is a member of the Municipal Police Employees Retirement System of Louisiana. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by separate board of trustees. Pertinent information relative to this plan is presented as follows:

*Plan Description.* All full-time police department employees engaged in law enforcement are eligible to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70800-2250, or by calling (225) 929-7411.

*Funding Policy.* Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town is established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System for the years ending December 31, 2000 were equal to the required contributions for the year.

**NOTE 12 - INTERGOVERNMENTAL AGREEMENT**

The Town operates a municipal airport on property that was originally donated by the Federal Government. Since the property was provided by Federal sources, the Federal government retains a degree of oversight responsibility. In the course of exercising its oversight responsibility, the Federal Aviation Administration (FAA) has determined that certain funds generated by the Airport property were used for inappropriate purposes.

In response to the findings described above, the Town has entered into a repayment agreement with the FAA. The agreement, which was accepted by the FAA on November 11, 1987 requires the general fund to repay a total of \$350,899 to the Municipal Airport Enterprise Fund. Under the terms of the repayment agreement, the general fund is required to execute \$2,000 installments on an annual basis. In addition, the general fund will receive credit for the following in-kind services provided on behalf of the Airport.

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

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- Twenty-four percent (24%) of the Town Clerk's salary.
- An annual allowance of \$600 for the Town Clerk's office expense.
- Twenty-six percent (26%) of the Police Chief's salary.
- An annual allowance of \$900 for the Police Chief's vehicle expense.

The amount currently payable by the general fund to the municipal airport enterprise fund is presented as an advance in the accompanying financial statements. The amount presented in the accompanying financial statements was computed as follows:

Original Balance – November 11, 1987	\$ 350,899
In-kind payments for the year ended:	
December 31, 1995	9,274
December 31, 1996	9,924
December 31, 1997	10,416
December 31, 1998	10,548
December 31, 1999	11,703
December 31, 2000	12,451
Cash Payments for years 1995 – 2000	12,000
Balance – December 31, 2000 (See Note 16)	\$ 274,583

**NOTE 13 - RESTRICTED RESOURCES**

Restrictions imposed by various laws, regulations, contracts and grants are summarized as follows:

Bond covenants require the Town to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants.

The Town operates a municipal airport on property that was originally provided by Federal sources. Restrictions imposed by the donor require resources generated by the property to be used solely for operation of the Airport and maintenance of the property.

Resources provided by the State's Capital Outlay Program are available only to complete the projects described in Note 8.

Assets, liabilities, and equity classified as restricted are summarized as follows:

	Utility Funds (Water & Sewer)	Municipal Airport	<u>Total</u>
<u>Enterprise Funds</u>			
Cash	\$ 252,731	\$ 199,174	\$ 451,905
Advances to Other Funds	---	431,748	431,748
Total Restricted Assets	252,731	630,922	883,653

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

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<u>Enterprise Funds</u>	Utility Funds (Water & Sewer)	Municipal Airport	<u>Total</u>
Liabilities Payable from Restricted Assets	102,960	157,165	260,125
<u>Total Restricted Retained Earnings</u>	<u>\$ 149,771</u>	<u>\$ 473,757</u>	<u>\$ 623,528</u>

**NOTE 14 – CONTINGENCIES**

**Litigation**

The Town is currently named as a defendant in a legal matter regarding traffic tickets issued by the municipal police department. Traffic tickets being addressed by the litigation were issued in an area that was determined to be outside of the Town's boundaries. The defendant has petitioned the court for a refund of all fines paid in connection with tickets issued outside of the Town's boundaries. Fines collected by the Town in connection with tickets of this nature total approximately \$80,000.

At the present time, it is impossible to determine the potential outcome of the pending litigation. Insurance coverage is available for the purpose of funding the Town's legal defense and paying any punitive damages that may be awarded by the courts; however, if the plaintiff prevails, the Town will be responsible for repaying fines.

**Disputed Claims**

The State of Louisiana Department of Transportation and Development has asserted that the Town has outstanding debt of \$35,297 for relocation of utilities that occurred in conjunction with a highway project. Since this work occurred more than ten years ago, management has been unable to ascertain whether this is a valid obligation.

**Utility Relocation**

The State of Louisiana is currently planning to improve U. S. Highway 165. If the improvements ultimately follow the proposed route, the Town will be required to relocate portions of its utility system that are located in the existing highway right of way. The timing and cost of the utility relocation cannot presently be determined.

**NOTE 15 – ECONOMIC DEVELOPMENT ACTIVITIES**

In order to enhance the local economy and provide employment opportunities for the citizens of Pollock, the Town has devoted substantial attention to the development of a federal prison facility. Effort devoted to attracting a federal prison to the area have been successful and the facility is scheduled to open in early 2001. The Town's activities associated with this project are summarized as follows:



**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

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**Prison Site**

Specifications for the prison facility require a site consisting of approximately 400 acres. Property owned by the Town was determined to be a suitable site; however, the property was encumbered by deed restrictions which were imposed by the Federal Aviation Administration. According to the terms of the deed restriction, the Town was required to use the property for the exclusive benefit of its Municipal Airport.

In order to make the Town's property available for a prison site it was necessary to negotiate a release from the deed restriction. As consideration for the release of the deed restriction, the FAA required compensation for Town's Municipal Airport. The Town agreed to provide compensation by transferring funds from the Utility System to the Municipal Airport. Under the terms of this arrangement, funds are required to be transferred in annual installments of \$19,800. Furthermore, the annual transfers must be completed for a period of ten consecutive years beginning March 31, 2000.

Based on the present value of the compensation payable to Municipal Airport, the cost of the Utility System's investment in the prison site was determined to be \$154,764. Upon release of the deed restriction, the prison site was donated to the Bureau of Prisons.

**Utility Service Commitment**

The Town has entered into an agreement to provide water and sewer service for the federal prison facility. In order to fulfill this commitment, the Town constructed a new water system and sewer system, which are collectively referred to as the Industrial Utility System. Funding for a portion of new utility infrastructure was provided by a tap fee in the amount of \$1,000,000 that was collected from the Bureau of Prisons during 1999. Funding for the remaining improvements was provided by the capital outlay project described in Note 8 and by issuing revenue bonds.

Revenue earned from providing services to the Bureau of Prisons will be used to operate the Utility System and service debt incurred in connection with construction of the system. Furthermore, income from the Industrial Utility System will provide a source of funds for compensating the Municipal Airport for land that was included in the prison site.

**Access Road Commitment**

In order to provide access needed in order to operate the federal prison facility, the Town has agreed to construct a suitable access road. Funding for the access road is provided by the capital outlay project described in Note 8. The access road is expected to cost approximately \$3,100,000.

**NOTE 16 – ADVANCES**

As discussed previously, the Municipal Airport Fund is entitled to collect certain advances from other funds. The nature of these advances and the current balances are described in the following manner:

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

	Advances Receivable (Payable)		
	Municipal Airport Fund	General Fund	Utility Fund
The Municipal Airport Fund has provided advances to the General Fund. As discussed in Note 12, the original balance of \$350,899 is being eliminated through a formal repayment plan.....	\$ 274,583	\$ (274,583)	\$ ----
As discussed in Note 15, the Municipal Airport is entitled to receive compensation in exchange for land provided to accommodate a federal prison facility. The original balance of \$154,764 is payable in ten installments of \$19,800, which include interest computed at a rate of 4.75% .....	142,315	----	(142,315)
	<u>\$ 416,898</u>	<u>\$ (274,583)</u>	<u>\$ (142,315)</u>

**NOTE 17 – BUDGET PRESENTATIONS**

The Town adopts its operating budget for the General Fund on the cash basis of accounting, which differs from generally accepted accounting principles (GAAP). A reconciliation of net income determined using the cash basis of accounting and net income derived from the GAAP basis of accounting has been provided as follows:

Net income – GAAP basis		\$ 11,390
Non-cash Operating Transfers In		(14,451)
<u>Accounts Receivable:</u>		
Current	\$ (6,757)	
Prior	8,336	1,579
<u>Interfund Receivables Funds:</u>		
Current	(21,767)	
Prior	----	(21,767)
<u>Due from Other Governments</u>		
Current	(2,818)	
Prior	3,872	1,054
<u>Accounts Payable</u>		
Current	9,905	
Prior	( 9,467)	438
<u>Interfund Payables</u>		
Current	985	
Prior	(2,948)	( 1,963)
Net loss – cash basis		<u>\$ (23,720)</u>

**ROZIER, HARRINGTON & MCKAY**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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February 2, 2001

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

The Honorable Eugene Mayeaux, Mayor  
and Members of the Board of Aldermen  
Pollock, Louisiana

**Compliance**

We have audited the compliance of the Town of Pollock, Louisiana with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2000. The Town of Pollock's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Pollock's management. Our responsibility is to express an opinion on the Town of Pollock's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Pollock's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Pollock's compliance with those requirements.

In our opinion, the Town of Pollock, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

**Internal Control over Compliance**

The management of the Town of Pollock, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Pollock's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

**TOWN OF POLLOCK, LOUISIANA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2000**

FEDERAL GRANTOR / Pass-through Grantor / Program Title	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
DEPARTMENT OF AGRICULTURE - Rural Utilities Service Direct Program - Water Programs Systems for Rural Communities	10.760	<u><u>2,201,100</u></u>

**Note**

The schedule of expenditures of federal awards was prepared in conformity with generally accepted accounting principles for governmental units. See notes to the accompanying financial statements for further details.

**TOWN OF POLLOCK**  
**SUPPLEMENTAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**TOWN OF POLLOCK, LOUISIANA**  
**CAPITAL PROJECTS FUNDS**  
Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended December 31, 2000

	<u>ECONOMIC DEVELOPMENT LOAN FUND</u>	<u>CAPITAL OUTLAY FUND</u>	<u>GENERAL CAPITAL PROJECTS FUND</u>	<u>TOTAL</u>
<b><u>REVENUES:</u></b>				
Intergovernmental:				
State capital outlay	\$ -	\$ 493,353	\$ -	\$ 493,353
Use of money and property	1,379	-	-	1,379
<b>Total revenues</b>	1,379	493,353	-	494,732
<b><u>EXPENDITURES:</u></b>				
Capital outlay				
Land purchase	121,290	-	-	121,290
Access road construction	-	493,353	-	493,353
<b>Total expenditures</b>	121,290	493,353	-	614,643
<b>Excess (deficiency) of revenues over expenditures</b>	(119,911)	-	-	(119,911)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers in	-	801	-	801
Operating transfers out	-	-	(24,969)	(24,969)
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	(119,911)	801	(24,969)	(144,079)
<b>Fund balance (deficit) - beginning of year</b>	119,911	-	100,000	219,911
<b>Fund balance (deficit) - end of year</b>	\$ -	\$ 801	\$ 75,031	\$ 75,832

**TOWN OF POLLOCK, LOUISIANA**  
**PROPRIETARY FUNDS**  
Combining Schedule of Revenues and Expenses  
For the Year Ended December 31, 2000

	<b>WATERWORKS ENTERPRISE FUND</b>	<b>SEWER SYSTEM ENTERPRISE FUND</b>	<b>MUNICIPAL AIRPORT ENTERPRISE FUND</b>	<b>TOTAL</b>
<b><u>OPERATING REVENUES:</u></b>				
Water sales	\$ 337,019	\$ -	\$ -	\$ 337,019
Sewer services	-	156,544	-	156,544
Other	9,655	3,627	8,833	22,115
	<u>346,674</u>	<u>160,171</u>	<u>8,833</u>	<u>515,678</u>
<b>Total operating revenues</b>				
<b><u>OPERATING EXPENSES:</u></b>				
Depreciation	57,106	74,923	5,410	137,439
Fuel purchases	-	-	3,640	3,640
Insurance	7,383	2,250	2,138	11,771
Legal and professional	9,079	247	5,927	15,253
Miscellaneous	12,157	11,566	3,513	27,236
Office expense	7,431	-	-	7,431
Payroll taxes and benefits	7,486	5,292	-	12,778
Repairs and maintenance	11,848	11,428	1,616	24,892
Salaries and wages	49,346	40,159	-	89,505
Utilities and telephone	24,507	6,362	90	30,959
	<u>186,343</u>	<u>152,227</u>	<u>22,334</u>	<u>360,904</u>
<b>Total operating expenses</b>				
<b>Operating income (loss)</b>	160,331	7,944	(13,501)	154,774
<b><u>NONOPERATING REVENUES (EXPENSES):</u></b>				
Ad valorem taxes	2,748	-	-	2,748
Interest income	6,518	-	8,535	15,053
Interest expense	(27,413)	(39,988)	-	(67,401)
Gain on transfer of land	-	-	140,864	140,864
	<u>142,184</u>	<u>(32,044)</u>	<u>135,898</u>	<u>246,038</u>
<b>Net income (loss) before operating transfers</b>				
Operating transfers in (out)	(744)	12,609	(12,838)	(973)
<b>Net Income (loss)</b>	<u>\$ 141,440</u>	<u>\$ (19,435)</u>	<u>\$ 123,060</u>	<u>\$ 245,065</u>



**TOWN OF POLLOCK, LOUISIANA**  
**SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS**  
For the year ended December 31, 2000

Eugene Mayeaux, Mayor	\$ 9,000
Chuck Butterfield, Alderman	3,000
Barbara Davis, Alderwoman	1,250
Jerome F. Scott, Alderman	3,000
Edith C. Willis, Alderwoman	3,000
Reda S. Till, Alderwoman	1,750
Warren D. Willett, Alderman	<u>3,000</u>
Total Compensation	<u><u>\$ 24,000</u></u>

**TOWN OF POLLOCK**  
SCHEDULE OF PRIOR YEAR FINDINGS  
DECEMBER 31, 2000

<b>SECTION I – INTERNAL CONTROLS AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
There were no prior year findings in this area.	Not applicable.
<b>SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
There were no prior year findings in this area.	Not applicable.
<b>SECTION III – MANAGEMENT LETTER</b>	
There was no management letter issued with the previous audit.	Not applicable.

# TOWN OF POLLOCK

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2000

We were engaged to audit the financial statements of the Town of Pollock as of and for the year ended December 31, 2000, and have issued our report thereon dated February 2, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report expressed an unqualified opinion on the Town's financial statements for the year ended December 31, 2000.

### **Section I – Summary of Auditors' Results:**

- The Independent Auditors; Report on the financial statements for the Town of Pollock as of December 31, 2000 and for the year then ended expressed an unqualified opinion.
- The results of the audit disclosed no reportable conditions that are considered to be material weaknesses.
- The results of the audit disclosed no instances of noncompliance that are considered to be material to the general purpose financial statements of the Town of Pollock.
- The Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance In Accordance with OMB Circular A-133 expressed an unqualified opinion on compliance for major programs.
- The audit did not disclose any audit findings which are required to be reported under Section 510 of Circular A-133.
- Major programs for the year ended December 31, 2000 are presented as follows:

#### 10.760 Water Programs Systems for Rural Communities

- A threshold of \$300,000 was used for distinguishing between Type A and Type B programs for purposes of identifying major programs.
- The Town of Pollock was not considered to be a low risk auditee as defined by the OMB Circular A-133.

### **Part II – Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:**

- None.

### **Part III – Findings and Questioned Costs for Federal Awards Which Shall Include Audit Findings as Defined by OMB Circular A-133:**

- None.

# TOWN OF POLLOCK

MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2000

<b>SECTION I – INTERNAL CONTROLS AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
<b><u>Finding:</u></b> There are no current year findings in this area.	<b><u>Response:</u></b> Not applicable.
<b>SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
<b><u>Finding:</u></b> There are no current year findings in this area.	<b><u>Response:</u></b> Not applicable.
<b>SECTION III – MANAGEMENT LETTER</b>	
<b><u>Finding:</u></b> There is no management letter issued with this report.	<b><u>Response:</u></b> Not applicable.

**Data Collection Form for Reporting on  
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS**

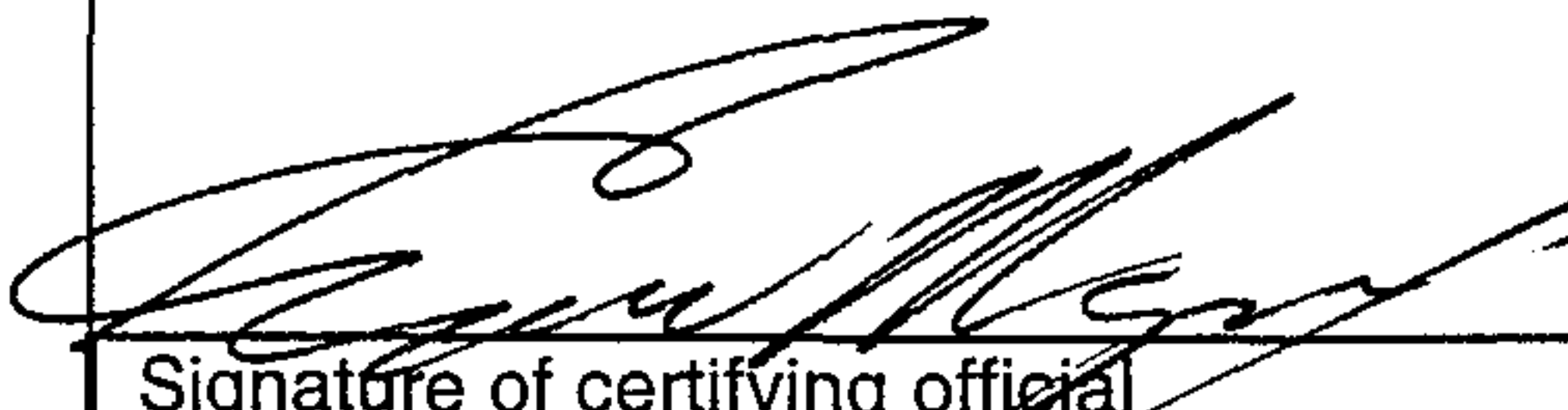
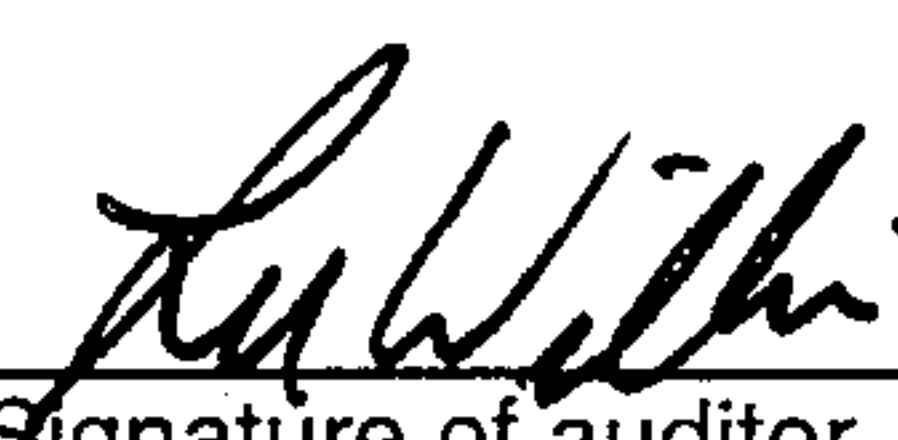
Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**RETURN TO**

**Single Audit Clearinghouse**  
1201 E. 10<sup>th</sup> Street  
Jeffersonville, IN 47132

**PART I** **GENERAL INFORMATION** *(To be completed by auditee, except for Item 7)*

1. Fiscal year ending date for this submission mm/dd/yy 12/31/00		2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit      2 <input type="checkbox"/> Program-specific audit	
3. Audit period covered 1 <input checked="" type="checkbox"/> Annual      3 <input type="checkbox"/> Other -      Months 2 <input type="checkbox"/> Biennial		<b>FEDERAL GOVERNMENT USE ONLY</b>	4. Date received by Federal clearinghouse
5. Employer Identification Number (EIN) a. Auditee EIN      72-0705554      b. Are multiple EINs covered in this report? 1 <input type="checkbox"/> Yes      2 <input checked="" type="checkbox"/> No			
<b>6. AUDITEE INFORMATION</b>		<b>7. AUDITOR INFORMATION</b> <i>(To be completed by auditor)</i>	
a. Auditee name Town of Pollock, Louisiana		a. Auditor name Rozier, Harrington & McKay	
b. Auditee address <i>(Number and street)</i> Street 801 Patterson Street P. O. Box 189 City Pollock State Louisiana      ZIP Code 71467		b. Auditor address <i>(Number and street)</i> Street 1407 Peterman Drive Post Office Box 12178 City Alexandria, LA 71315 State Louisiana      ZIP Code 71315	
c. Auditee contact Name Eugene Mayeaux Title Mayor		c. Auditor contact Name Lee. W. Willis Title C.P.A.	
d. Auditee contact telephone (318) 765-3796		d. Auditor contact telephone (318) 442-1608	
e. Auditee contact FAX <i>(Optional)</i> (318) 765-3683		e. Auditor contact FAX <i>(Optional)</i> (318) 487-2027	
f. Auditee contact E-mail <i>(Optional)</i>		f. Auditor contact E-mail <i>(Optional)</i>	

<p><b>g. AUDITEE CERTIFICATION STATEMENT</b> - This is to certify that, to the best of my knowledge and belief, the auditee has:</p> <p>(1) Engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in <b>Parts I, II, and III</b> of this data collection form is accurate and complete. I declare that the foregoing is true and correct.</p>	<p><b>g. AUDITOR STATEMENT</b> - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 5 and 6, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is <b>not a substitute</b> for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in <b>Parts II and III</b> of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.</p>
<p>                  Signature of certifying official</p>	<p>3/30/01                  Date Month Day Year</p>
<p>Name/Title of certifying official  <b>Eugene Mayeaux, Mayor</b></p>	<p>                  Signature of auditor</p>
	<p>4/18/01                  Date Month Day Year</p>

**PART I GENERAL INFORMATION - Continued**

8. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (X) one box)

1  Cognizant agency      2  Oversight agency

9. Name of Federal cognizant or oversight agency for audit. (Mark (X) one box)

01 <input type="checkbox"/> African Development Foundation 02 <input type="checkbox"/> Agency for International Development 10 <input checked="" type="checkbox"/> Agriculture 11 <input type="checkbox"/> Commerce 94 <input type="checkbox"/> Corporation for National and Community Service 12 <input type="checkbox"/> Defense 84 <input type="checkbox"/> Education 81 <input type="checkbox"/> Energy 66 <input type="checkbox"/> Environmental Protection Agency	83 <input type="checkbox"/> Federal Emergency Management Agency 34 <input type="checkbox"/> Federal Mediation and Conciliation Service 39 <input type="checkbox"/> General Services Administration 93 <input type="checkbox"/> Health and Human Services 14 <input type="checkbox"/> Housing and Urban Development 03 <input type="checkbox"/> Institute for Museum Services 04 <input type="checkbox"/> Inter-American Foundation 15 <input type="checkbox"/> Interior	16 <input type="checkbox"/> Justice 17 <input type="checkbox"/> Labor 43 <input type="checkbox"/> National Aeronautics and Space Administration 89 <input type="checkbox"/> National Archives and Records Administration 05 <input type="checkbox"/> National Endowment for the Arts 06 <input type="checkbox"/> National Endowment for the Humanities 47 <input type="checkbox"/> National Science Foundation 07 <input type="checkbox"/> Office of National Drug Control Policy	08 <input type="checkbox"/> Peace Corps 59 <input type="checkbox"/> Small Business Administration 96 <input type="checkbox"/> Social Security Administration 19 <input type="checkbox"/> State 20 <input type="checkbox"/> Transportation 21 <input type="checkbox"/> Treasury 82 <input type="checkbox"/> United States Information Agency 64 <input type="checkbox"/> Veterans Affairs <input type="checkbox"/> Other - Specify:
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**PART II FINANCIAL STATEMENTS (To be completed by auditor)**

1. Type of audit report (Mark (X) one box)

1  Unqualified opinion      2  Qualified opinion      3  Adverse opinion      4  Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report?      1  Yes      2  No

3. Is a reportable condition disclosed?      1  Yes      2  No -SKIP to Item 5

4. Is any reportable condition reported as a material weakness?      1  Yes      2  No

5. Is a material noncompliance disclosed?      1  Yes      2  No

**PART III FEDERAL PROGRAMS (To be completed by auditor)**

1. Type of audit report on major program compliance  
 1  Unqualified opinion    2  Qualified opinion    3  Adverse opinion    4  Disclaimer of opinion

2. What is the dollar threshold to distinguish Type A and Type B programs §\_.520(b)?  
**\$ 300,000**

3. Did the auditee qualify as a low-risk auditee (§\_.530)?  
 1  Yes    2  No

4. Are there any audit findings required to be reported under §\_.510(a)?  
 1  Yes    2  No

5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)

01 <input type="checkbox"/> African Development Foundation	83 <input type="checkbox"/> Federal Emergency Management Agency	16 <input type="checkbox"/> Justice	08 <input type="checkbox"/> Peace Corps
02 <input type="checkbox"/> Agency for International Development	34 <input type="checkbox"/> Federal Mediation and Conciliation Service	17 <input type="checkbox"/> Labor	59 <input type="checkbox"/> Small Business Administration
10 <input type="checkbox"/> Agriculture	39 <input type="checkbox"/> General Services Administration	43 <input type="checkbox"/> National Aeronautics and Space Administration	96 <input type="checkbox"/> Social Security Administration
11 <input type="checkbox"/> Commerce	93 <input type="checkbox"/> Health and Human Services	89 <input type="checkbox"/> National Archives and Records Administration	19 <input type="checkbox"/> State
94 <input type="checkbox"/> Corporation for National and Community Service	14 <input type="checkbox"/> Housing and Urban Development	05 <input type="checkbox"/> National Endowment for the Arts	20 <input type="checkbox"/> Transportation
12 <input type="checkbox"/> Defense	03 <input type="checkbox"/> Institute for Museum Services	06 <input type="checkbox"/> National Endowment for the Humanities	21 <input type="checkbox"/> Treasury
84 <input type="checkbox"/> Education	04 <input type="checkbox"/> Inter-American Foundation	47 <input type="checkbox"/> National Science Foundation	82 <input type="checkbox"/> United States Information Agency
81 <input type="checkbox"/> Energy	15 <input type="checkbox"/> Interior	07 <input type="checkbox"/> Office of National Drug Control Policy	64 <input type="checkbox"/> Veterans Affairs
66 <input type="checkbox"/> Environmental Protection Agency			00 <input checked="" type="checkbox"/> None
			<input type="checkbox"/> Other - Specify:

**PART III FEDERAL PROGRAMS - Continued**

**6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR**

**7. AUDIT FINDINGS AND QUESTIONED COSTS**

CFDA number <sup>1</sup> (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)	Type of compliance requirement <sup>2</sup> (b)	Amount of questioned costs (c)	Internal control findings <sup>3</sup> (d)	Audit finding reference number(s) (e)
10.760	Water Programs Systems for Rural Communities	\$ 2,201,100	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$ -0-	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
<b>TOTAL FEDERAL AWARDS EXPENDED</b>		\$ 2,201,100					

IF ADDITIONAL LINES ARE NEEDED, PLEASE REFER TO THE INSTRUCTIONS FOR OMB CIRCULAR A-133 WORD PROCESSING TEMPLATE



<sup>1</sup> Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.

<sup>2</sup> Type of compliance requirement (*Enter the letter(s) of all that apply to audit findings and questioned costs reported for each Federal program.*)

- |   |  |                                 |
|---|--|---------------------------------|
| A. Activities allowed or unallowed        | G. Matching, level of effort, earmarking               | L. Reporting                    |
| B. Allowable costs/cost principles        | H. Period of availability of funds                     | M. Subrecipient monitoring      |
| C. Cash management                        | I. Procurement   | N. Special tests and provisions |
| D. Davis - Bacon Act                      | J. Program income                                      | O. None                         |
| E. Eligibility                            | K. Real property acquisition and relocation assistance |                                 |
| F. Equipment and real property management |  |                                 |

<sup>3</sup> Type of internal control findings (*Mark (X) all that apply*)

- |                        |                          |                  |
|------------------------|--------------------------|------------------|
| A. Material weaknesses | B. Reportable conditions | C. None reported |
|------------------------|--------------------------|------------------|