

**ZACHARY TAYLOR PARKWAY COMMISSION**

**BATON ROUGE, LOUISIANA**

**JUNE 30, 2004**

**Ducote & Company**  
**Certified Public Accountants**  
P. O. Box 309  
219 North Washington Street  
Marksville, LA 71351

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 2/16/05

**ZACHARY TAYLOR PARKWAY COMMISSION**  
**Baton Rouge, Louisiana**  
**Financial Statements**  
**As of and for the Year Ended June 30, 2004**

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# Zachary Taylor Parkway Commission

J. Curtis Jelks Chairman  
P. O. Box 46036  
Baton Rouge, Louisiana 70895

Telephone (225)293-8133

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## LOUISIANA ATTESTATION QUESTIONNAIRE

November 2, 2004

Ducote & Company  
Certified Public Accountants  
P. O. Box 309  
Marksville, Louisiana 71351

In connection with your compilation of our financial statements as of June 30, 2004 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Government Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of November 2, 2004.

### **PUBLIC BID LAW**

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

Yes  No

### **CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

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

Yes  No

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

Yes  No

**BUDGETING**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes  No

**ACCOUNTING AND REPORTING**

All non-exempt government 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 47:1410.60.

Yes  No

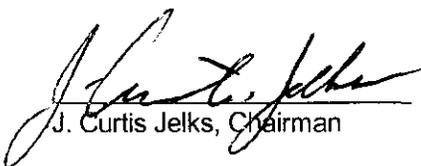
**ADVANCES AND BONUSES**

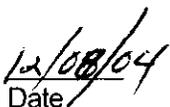
It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes  No

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

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

  
J. Curtis Jelks, Chairman

  
Date

  
Patrick Witty, Treasurer

  
Date

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Mr. J. Curtis Jelks, Chairman  
Zachary Taylor Parkway Commission  
Baton Rouge, Louisiana 70895

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of The Zachary Taylor Parkway Commission and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions and the Zachary Taylor Parkway Commission's compliance with certain laws and regulations during the year ended June 30, 2004 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures describe 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 were made during the fiscal year ended June 30, 2004 for materials and supplies exceeding \$15,000 or for public works exceeding \$100,000.

**CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

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

Management provided us with a listing of board members. No transactions with these members were noted.

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

The Commission had no employees during the fiscal year ended June 30, 2004.

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.

This step is inapplicable as the Commission had no employees during the fiscal year ended June 30, 2004, as noted in Item 3 above.

## BUDGETING

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

Management provided us with a copy of the original budget.

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

We traced the adoption of the original budget to the minutes of a meeting held on March 13, 2003, which indicated that the budget was adopted by a unanimous vote of the members of the board. The budget was amended by a unanimous vote of the members of the board at the meeting held on September 10, 2003.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues were not under budget by an amount greater than 5%; and expenditures for the year did not exceed budgeted amounts by more than 5%.

## 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;

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

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

All six 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 chairman of the Board and/or another officer or member of the Board.

## 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 Zachary Taylor Parkway Commission is only required to post a notice of each meeting and the accompanying agenda on the door of the Commission's office facility. Management has asserted to us that such notices are properly posted. The files indicated that such notices and agendas are mailed to each of the members approximately 30 days in advance.

## DEBT

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

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

## ADVANCES AND BONUSES

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

*This step is inapplicable as the Commission had no employees during the fiscal year ended June 30, 2004, as noted in Item 3 above.*

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

This report is intended solely for the use of management of the Zachary Taylor Parkway Commission and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

  
**DUCOTE & COMPANY**  
Certified Public Accountants  
Marksville, Louisiana  
November 2, 2004

## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Mr. J. Curtis Jelks, Chairman  
Zachary Taylor Parkway Commission  
Baton Rouge, Louisiana

We have compiled the accompanying balance sheet of the Zachary Taylor Parkway Commission as of June 30, 2004 and the related statement of revenues, expenditures, and changes in fund balance, for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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



**DUCOTE & COMPANY**  
Certified Public Accountants  
Marksville, Louisiana  
November 2, 2004

**ZACHARY TAYLOR PARKWAY COMMISSION**  
**Baton Rouge, Louisiana**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**Combined Balance Sheet**  
**June 30, 2004**

	<u>Governmental Fund General Fund</u>	<u>Account Group General Fixed Assets</u>	<u>Totals (Memorandum Only)</u>
<b><u>ASSETS AND OTHER DEBITS</u></b>			
Assets:			
Cash	\$ 28,699	\$ -0-	\$ 28,699
Machinery and equipment	<u>-0-</u>	<u>6,067</u>	<u>6,067</u>
<b>Total Assets and Other Debits</b>	<b><u>\$ 28,699</u></b>	<b><u>\$ 6,067</u></b>	<b><u>\$ 34,766</u></b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
Liabilities:			
Accounts payable	\$ 14,515	\$ -0-	\$ 14,515
Equity and Other Credits:			
Investment in general fixed assets	-0-	6,067	6,067
Fund Balance:			
Unreserved and undesignated	<u>14,184</u>	<u>-0-</u>	<u>14,184</u>
<b>Total Equity and Other Credits</b>	<b><u>14,184</u></b>	<b><u>6,067</u></b>	<b><u>14,184</u></b>
<b>Total Liabilities, Equity, and Other Credits</b>	<b><u>\$ 28,699</u></b>	<b><u>\$ 6,067</u></b>	<b><u>\$ 34,766</u></b>

See accountants' compilation report and the accompanying notes.

**ZACHARY TAYLOR PARKWAY COMMISSION**  
**Baton Rouge, Louisiana**  
**GOVERNMENTAL FUND-GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**Year Ended June 30, 2004**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>REVENUES</b>			
<i>Intergovernmental Revenues:</i>			
State appropriation	\$ -0-	\$ -0-	\$ -0-
Interest earnings	<u>150</u>	<u>129</u>	<u>(21)</u>
Total Revenues	<u>150</u>	<u>129</u>	<u>(21)</u>
<b>EXPENDITURES</b>			
Education and promotion	18,500	8,872	9,628
Administrative services	9,000	8,444	556
Professional services	43,335	47,374	(4,039)
Other	1,200	-0-	1,200
Travel	<u>3,000</u>	<u>787</u>	<u>2,213</u>
Total Expenditures	<u>75,035</u>	<u>65,477</u>	<u>9,558</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (74,885)</u>	(65,348)	<u>\$ 9,537</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>79,532</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ 14,184</u>	

See accountants' compilation report and the accompanying notes.

**ZACHARY TAYLOR PARKWAY COMMISSION**  
**Baton Rouge, Louisiana**  
**Notes to the Financial Statements**  
**June 30, 2004**

**INTRODUCTION**

The Zachary Taylor Parkway Commission was created by Act No. 288 of the State of Louisiana Legislature on June 11, 1992. The purpose of the Commission is to serve as the managing agency of the Zachary Taylor Parkway District and to be the official repository for information relating to and about the promotion and public education of the planning and designing of the Zachary Taylor Parkway. The district comprises the geographical territory of the parishes of Avoyelles, East Feliciana, Pointe Coupee, Rapides, St. Helena, Washington, West Feliciana, and that portion of Tangipahoa which lies north of Louisiana Highway 40.

The Commission is composed of members from each of the parishes that comprise the district. Each parish also has an alternate member appointed to the Commission who is allowed to vote in the absence of the appointed member. Members to the Commission are appointed by the governing body of the parish they represent and are required to be a registered voter and cannot be a member of the parish's governing body.

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

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the Zachary Taylor Parkway Commission 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**

As an independent district created by the State of Louisiana, the Zachary Taylor Parkway Commission is considered to be a separate financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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.

**ZACHARY TAYLOR PARKWAY COMMISSION**  
**Baton Rouge, Louisiana**  
**Notes to the Financial Statements (continued)**  
**June 30, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. REPORTING ENTITY (continued)**

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of Zachary Taylor Parkway Commission 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 Commission to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial burdens on the Commission.
2. Organizations for which the Commission does not appoint a voting majority but are fiscally dependent on the Commission.
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.

The Zachary Taylor Parkway Commission is an independent district, created by State Statute, covering an eight-parish territory. The members to the Commission are appointed by the governing authority of the parish they represent and each of the parishes in the District appoint one member and one alternate member to the Commission. However, no parish authority exercises control over the Commission, nor is the Commission fiscally dependent on any parish authority. Based on the above criterion, the Zachary Taylor Parkway Commission was determined not to be a component unit of any organization or to be the oversight entity for any component unit. The accompanying financial statements present information only on the funds maintained by the Zachary Taylor Parkway Commission.

**C. FUND ACCOUNTING**

The Commission uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**ZACHARY TAYLOR PARKWAY COMMISSION**  
**Baton Rouge, Louisiana**  
**Notes to the Financial Statements (continued)**  
**June 30, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures.

**REVENUES**

Revenues are recognized when they become measurable and available as net current assets.

**EXPENDITURES**

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

**E. BUDGETS**

In accordance with Louisiana R. S. 39:1302, the Zachary Taylor Parkway Commission is a political subdivision within the meaning of the Louisiana Government Budget Act. However, since the total proposed expenditures for the fiscal year are below \$250,000, the Commission is not subject to the public participation laws with respect to the adoption of its annual operating budget. The Commission formally adopted its budget for the June 30, 2004 fiscal year by resolution at its March 13, 2003 meeting.

**F. TOTAL COLUMN ON COMBINED STATEMENTS**

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

**ZACHARY TAYLOR PARKWAY COMMISSION**  
**Baton Rouge, Louisiana**  
**Notes to the Financial Statements (continued)**  
**June 30, 2004**

**NOTE 2 - CASH**

At year-end, June 30, 2004, cash consisted of deposits with banks, with a book value of \$28,699.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balance) 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 June 30, 2004 the district had \$31,459 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance

**NOTE 3 - FIXED ASSETS**

The changes in general fixed assets follows:

	<b>Balance July 1, <u>2003</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance June 30, <u>2004</u></b>
Machinery & equipment	\$ 6,067	\$ -0-	\$ -0-	\$ 6,067
Total General Fixed Assets	<u>\$ 6,067</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 6,067</u>

**NOTE 4 - CONTRACTS AND COMMITMENTS**

On July 1, 2003 a contract with the Zachary Taylor Parkway Association was entered into. This contract expires on June 30, 2006. The contract provides that the Association provide the Commission with administrative and management services for a fee of \$600 per month plus certain expenses. The contract may be terminated by either party by giving notice of cancellation at least 30 days prior to the end of any calendar month. The Zachary Taylor Parkway Association is a nonprofit corporation, whose primary purpose is the gathering and disseminating information relative to the improvement of highway transportation along the LA Highway 1 – LA Highway 10 corridor.

**ZACHARY TAYLOR PARKWAY COMMISSION**  
**Baton Rouge, Louisiana**  
**Notes to the Financial Statements (continued)**  
**June 30, 2004**

**NOTE 4 – CONTRACTS AND COMMITMENTS (continued)**

On July 1, 1999, the Commission entered into a contract for legal services with Ellis C. Magee, Attorney at Law. The contract expires on June 30, 2004, but may be terminated by either party with a thirty-day notice. The contract provides a billing rate of \$50 per hour plus reasonable and necessary out of pocket costs; however the total of all sums paid will not exceed \$15,000 per fiscal year. On September 11, 2002 the contract was renewed to June 30, 2005, providing for a billing rate of \$75 per hour plus reasonable and necessary out of pocket costs; however the total of all sums paid will not exceed \$15,000 per fiscal year.

On June 1, 2003, the Commission entered into a contract for promotion and public relations with East Advertising and Public Relations, Inc. for the period of July 1, 2003 through June 30, 2006, with a 30 day cancellation clause for both parties. Compensation is established at \$75 per hour, with an annual maximum of \$15,000.

On August 10, 1999, the Commission entered into a five-month representation contract for lobbying and other governmental relations services with Adams and Reese, LLP. Either party may terminate the contract the other party a 30 day written notice prior to the date of termination. The contract provides for monthly retainer of \$4,500. A new contract was agreed to effective February 1, 2000, providing for a monthly fee of \$2,500, with out of pocket costs billed separately at a maximum of \$200 per month. The engagement will be re-evaluated every three months and may be terminated by either party by giving the other party a 30 day written notice prior to the date of termination.

On October 1, 1999, the Commission entered into a contract for legal services with Samuel C. D'Aquilla, Attorney at Law. The contract expires on June 30, 2004, but may be terminated by either party with a thirty-day notice. The contract provides a billing rate of \$75 per hour plus reasonable and necessary out of pocket costs; however the total of all sums paid will not exceed \$15,000 per fiscal year. On September 11, 2002 the contract was renewed to June 30, 2005, providing for the same terms and conditions as the previous contract.

On July 1, 2002, the Commission entered into an agreement with the West Feliciana Police Jury for the rental of office space located at 5934 Commerce Street, St. Francisville, Louisiana. The contract carries a maximum contract amount of \$1 per year and expires on June 30, 2004; however the contract may be terminated by either party by giving the other party a 30 day notice prior to the end of any calendar month.