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LAKE CHARLES WATERWORKS DISTRICT NO. 2
St. Joseph, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
and Approval Upon Procedures Report
As of and for the Year Ended
December 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or authorized, 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 7-14-09

LAKE BRUN WATERWORKS DISTRICT NO. 1
St. Joseph, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
December 31, 1998

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M. Carlson Dumas
CERTIFIED PUBLIC ACCOUNTANT

269 DONALDSON ROAD • CALHOUN, LOUISIANA 70525 • TELEPHONE 2188-44-2728

Accountant's Compilation Report

BOARD OF COMMISSIONERS
LAKE DRUM WATERWORKS DISTRICT NO. 1
St. Joseph, Louisiana

I have compiled the accompanying general purpose financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the Lake Drum Waterworks District No. 1 as of December 31, 1988, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

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

In accordance with the *Louisiana Government's Audit Guide* and the provisions of state law, I have issued a report dated June 3, 1989, on the results of my agreed-upon procedures.



Calhoun, Louisiana
June 3, 1989

**GENERAL PURPOSE FINANCIAL STATEMENTS
(IVERIVIK)**

LAKE BRUN WATERWORKS DISTRICT NO. 1
St. Joseph, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Balance Sheet, December 31, 1998

ASSETS

Current assets:	
Cash	\$13,388
Investments	37,496
Accounts receivable - water sales	7,340
Total current assets	<u>58,224</u>
Restricted assets - cash	44,939
Property, plant and equipment (net of accumulated depreciation)	<u>377,429</u>
TOTAL ASSETS	<u>\$480,692</u>

LIABILITIES AND FUND EQUITY

Current liabilities (payable from current assets):	
Accounts payable	\$3,293
Sales tax payable	189
Customer deposits	25,136
Total current liabilities (payable from current assets)	<u>28,618</u>
Current liabilities (payable from restricted assets) - notes payable	8,548
Long term liabilities - notes payable	204,972
Total liabilities	<u>242,138</u>
Fund Equity:	
Contributed capital (net of accumulated depreciation on fixed assets constructed with federal grant)	<u>147,568</u>
Retained earnings:	
Reserved for notes payable	36,391
Unreserved - undesignated	54,931
Total retained earnings	<u>91,322</u>
Total Fund Equity	<u>248,890</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$480,692</u>

See accompanying notes and accountants' compilation report.

LAKE BRUN WATERWORKS DISTRICT NO. 1
St. Joseph, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Revenues, Expenses, and
Changes in Retained Earnings
For the Year Ended December 31, 1998

OPERATING REVENUES	
Water sales	\$89,452
Other fees and charges	125
Total operating revenues	<u>89,577</u>
OPERATING EXPENSES	
Utilities	1,668
Boatkeeping services	1,056
Management fee	12,000
Maintenance fees	131
Audit	780
Office expense	533
Postage	889
Insurance and liability bond	3,603
Repairs	3,274
Depreciation	14,311
Water purchased	28,184
Other operating expenses	581
Total operating expenses	<u>73,706</u>
OPERATING INCOME	<u>15,871</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest earned on deposits	3,212
Interest expense	(10,706)
Total non-operating revenues (expenses)	<u>(7,494)</u>
NET INCOME	8,377
Add depreciation on fixed assets constructed with federal grant	<u>4,360</u>
INCREASE IN RETAINED EARNINGS	<u>13,737</u>
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>77,325</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$91,062</u>

See accompanying notes and accountant's compilation report.

LAKE BRUN WATERWORKS DISTRICT NO. 1
St. Joseph, Louisiana
PROPRIETARY FUND TYPE - INTERPRESE FUND

Statement of Cash Flows
For the Year Ended December 31, 1998

CASH FLOWS FROM OPERATING ACTIVITIES

Operating Income	<u>\$15,801</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	14,311
Increase in accounts receivable	(248)
Increase in motor deposits	2,250
Decrease in accounts payable	(228)
Increase in sales tax payable	18
Total adjustments	<u>16,113</u>
Net cash provided by operating activities	<u>32,914</u>

CASH FLOWS FROM CAPITAL

FINANCING ACTIVITIES	
Principal paid on revenue bonds	(9,805)
Interest paid on revenue bonds	<u>(11,881)</u>
Net cash used by capital financing activities	<u>(21,686)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	3,202
Increase in investments	<u>(1,987)</u>
Net cash provided by investing activities	<u>1,215</u>

NET INCREASE IN CASH	11,635
CASH AT BEGINNING OF YEAR	<u>44,764</u>
CASH AT END OF YEAR	<u>\$56,399</u>

See accountant's compilation report and accompanying notes.

LAKE BRUIS WATERWORKS DISTRICT NO. 1
St. Joseph, Louisiana

Notes to the Financial Statements
As of and for the year Ended December 31, 1998

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lake Bruis Waterworks District No. 1 was created by the Tensas Parish Police Jury as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the district. The district is governed by a five member board appointed by the police jury who serve without benefit of compensation. The district serves approximately 358 customers and has no employees.

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of Lake Bruis Waterworks District No. 1 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 established governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Tensas Parish Police Jury is the financial reporting entity for Tensas Parish. The financial reporting entity consists of (a) the primary government (police jury), (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 Tensas Parish Police Jury for financial reporting purposes. The basic criteria 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:

See accountant's compilation report.

LAKE BRUNN WATERWORKS DISTRICT NO. 1

St. Joseph, Louisiana

Notes to the financial statements (Continued)

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury 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 police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
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.

Because the police jury appoints the governing body of the district and has the ability to impose its will on the district, the district was determined to be a component unit of the Tensas Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

Lake Brunn Waterworks District No. 1 is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

B. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined

See accountant's compilation report.

LAKE HERIN WATERWORKS DISTRICT NO. 1

St. Joseph, Louisiana

Notes to the financial statements (Continued)

by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund is reported in the accompanying financial statements on the accrual basis of accounting. Revenues, such as water sales and other operating income are recognized when they are earned. Interest on bank deposits is recorded when the interest is credited to the accounts. All expenses of the district are recognized when they are incurred.

E. RESTRICTED ASSETS

Certain resources of the Enterprise Fund set aside for the repayment of revenue bonds are classified as restricted assets on the balance sheet because their use is limited.

F. CASH

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with banks organized under the laws of the State of Louisiana and the laws of any other state in the union, or the laws of the United States.

G. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2555. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 1988, the district's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements as cash. The bank balances of the deposits are fully secured from risk by federal deposit insurance and the pledge of securities owned by the fiscal agent bank.

H. FIXED ASSETS

Fixed assets of the district are included on the balance sheet of the enterprise fund

See accountant's compilation report.

LAKE BRUN WATERWORKS DISTRICT NO. 1

St. Joseph, Louisiana

Notes to the financial statements (Continued)

and are recorded at actual cost. Depreciation of all depreciable fixed assets is charged as an expense against operations. Fixed assets reported on the balance sheet are net of accumulated depreciation. Depreciation is computed using the straight-line method over estimated useful lives of 50 years for the original water system and extension and 10 years for equipment added to the system.

I. LONG-TERM DEBT

Revenue bonds financed from Enterprise Fund operations are accounted for in the Enterprise Fund.

J. CONTRIBUTED CAPITAL

Grants, entitlements, or shared revenues that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such contributions. This depreciation is charged to the contributed capital account and is reflected as an adjustment to net income.

K. CASH

At December 31, 1998, the district has cash (bank balances) totaling \$58,337, as follows:

Demand deposits	\$13,798
Interest-bearing demand deposits	44,938
Total	<u>\$58,337</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Cash and investments (bank balances) at December 31, 1998, are stated as follows:

Bank Balances	<u>\$85,833</u>
Federal deposit insurance	95,833

See accountant's compilation report.

LAKE BRUN WATERWORKS DISTRICT NO. 1
 St. Joseph, Louisiana
 Notes to the financial statements (Continued)

Pledged securities (uncollateralized)	<u>\$90,377</u>
Total	<u>\$146,150</u>

3. **FIXED ASSETS**

A summary of fixed assets at December 31, 1998, follows:

Land	\$5,580
Water system	618,731
	<u>624,311</u>
Less accumulated depreciation	(246,822)
Property, plant, and equipment, net	<u>\$377,489</u>

4. **LONG-TERM DEBT**

At December 31, 1998, the district has two outstanding long-term notes. The note dated February 28, 1967, was originally for \$72,000 and the note dated October 27, 1978 was originally for \$250,000. The 1967 note bears interest at 3.75% per annum and the 1978 note bears interest at 5% per annum. The purpose of both notes was to provide financing for the construction of the water system and extensions and improvements to the system. Both notes were purchased by the General Electric Credit Corporation from the United States Department of Agriculture, Farmer's Home Administration in September 1987. During 1997, the bonds were sold to GMAC Commercial Mortgage.

For the February 27, 1967 note, the district is required to make annual payments of \$3,543 through January 1, 2007. Annual payments are due January 1st of each year and are used to pay all accumulated interest to date with any remaining amount used to reduce the principal.

The loan agreement for the October 27, 1978 note, requires the payment of principal and interest in thirty-eight annual payments due on October 27th of each year. The annual payments range from \$14,368 to \$15,458 and are required to be made through October 27, 2016.

The following is a summary of revenue bonds payable transactions for the year ended December 31, 1998:

Revenue bonds payable at January 1, 1998	\$223,329
Reductions	<u>(39,865)</u>

See accountant's compilation report.

LAKE DRUM WATERWORKS (DISTRICT NO. 2)
St. Joseph, Louisiana
Notes to the financial statements (Continued)

Revenue bonds payable at December 31, 1998 \$213,520

The annual requirements to amortize all bonds outstanding at December 31, 1998, including interest of \$118,324, are as follows:

<u>Year</u>	
1999	\$18,893
2000	18,993
2001	18,293
2002	18,993
2003	18,643
2004-2008	85,579
2009-2013	74,900
2014-2018	<u>73,850</u>
Total	<u>\$327,344</u>

5. CONTRIBUTED CAPITAL

The district received a federal grant from the Farmers Home Administration in 1978 totaling \$238,000, for the construction of the water system extension and improvements. The grant was used to fund approximately 49% of the construction costs with the remaining 51% funded with long-term debt. The amount of fixed assets constructed with grant funds is shown as contributed capital on the balance sheet. The contributed capital amount is reduced each year by the amount of depreciation expense recognized on fixed assets constructed with grant funds. At December 31, 1998, accumulated depreciation on these assets was \$80,440.

6. RESERVED UNTAINED EARNINGS

The loan agreements with GMAC Commercial Mortgage for the long-term notes discussed in note 4 above, require the district to establish the following reserve accounts:

- A. A "Revenue Note and Interest Sinking Fund". The district must transfer into this fund, each month, one-twelfth of the principal and interest due on the next principal and interest payment dates. The deposits in the fund are to be used solely for the payment of principal and interest payments on the loans as they become due.

See accountant's compilation report.

LAKE BURN WATERWORKS DISTRICT NO. 1

St. Joseph, Louisiana

Notes to the financial statements (Continued)

- B.** A "Reverse Note Reserve Fund". The district must transfer into this fund, each month, an amount equal to 5% of the amount required to be transferred into the Reverse Note and Interest Sinking Fund for payment of principal and interest due on the October 27, 1978 note. The transfers must continue until there has been accumulated in this fund, an amount equal to the highest combined principal and interest requirements for any future year. The maximum amount of \$2,000 that was required to be set aside for the February 27, 1967 note has been met. The deposits in the fund are to be used solely for the payment of principal and interest in the event sufficient deposits are not available in the Reverse Note and Interest Sinking Fund.
- C.** A "Depreciation and Contingency Fund". The district must transfer \$27 into this fund each month in accordance with the loan agreement for the October 27, 1978 note. The maximum amount of \$4,800 that was required to be set aside for the February 27, 1967 note has been met. The deposits in this fund may be used by the district for repairs, replacements and extensions necessary to properly operate the system. The deposits may also be used to pay principal and interest when insufficient amounts are available in either of the above funds.

At December 31, 1998, the district has set aside \$64,939 to meet the reserve requirements. Of that amount, \$8,248 is offset by the current portion of long-term debt, with the remaining \$56,691 reported as a reserve of retained earnings on Statement A.

7. OPERATING AGREEMENT

Effective November 1, 1995, the district entered into an agreement with G.D. Wornach Trenching, Inc. for operation of the water system. During the year ended December 31, 1998, the district paid to G.D. Wornach Trenching, Inc., \$2,895, for maintenance and repairs to the system and \$21,532, to HCP Management for managing the system.

8. LITIGATION AND CLAIMS

At December 31, 1998, the district is not involved in any litigation nor aware of any unasserted claims. The district maintains commercial insurance coverage to reduce the risk of loss resulting from property damage or liability claims. There were no costs resulting from claims or judgments during the year ended December 31, 1998.

See accountant's compilation report.

LAKE MILLEN WATERWORKS DISTRICT NO. 1
St. Joseph, Louisiana
Notes to the financial statements (Continued)

9. YEAR 2000 ISSUE

The Year 2000 issue is the result of shortcomings in many electronic data-processing systems and other equipment that may adversely affect the district's operations in the year 1999 and beyond. As discussed in Note 7, the district has an agreement with G.D. Wornack Trenching, Inc. for operation of the water system. As of December 31, 1998, G.D. Wornack Trenching has conducted a review of its computer systems to identify those systems that could be affected by the Year 2000 issue and has begun taking steps to be Year 2000 compliant on a timely basis. However, there is no assurance that the systems of other governmental agencies or companies on which the district relies will be timely converted or that any such failure to convert by a governmental agency or other company would not have an adverse effect on the district's operations.

SUPPLEMENTAL INFORMATION SCHEDULES

See accountant's compilation report.

LAKE BRUN WATERWORKS DISTRICT NO. 1
St. Joseph, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 1998

PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in the summary schedule of prior year findings (Schedule 1).

CURRENT YEAR FINDINGS

The corrective action plan for current year findings is presented in Schedule 2.

LAKE BRLEN WATERWORKS DISTRICT NO. 1
St Joseph, Louisiana

Summary Schedule of Prior Year Findings
For the Year Ended December 31, 1998

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Additional Explanation</u>
Procedure 9	1997	The district did not publish or post agendas for meetings.	Yes	N/A

See accountant's compilation report.

LAKE BURLIN WATERWORKS DISTRICT NO. 1
St. Joseph, LouisianaCorrective Action Plan
For Current Year Findings
For the Year Ended December 31, 1998

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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There were no current year findings.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the Louisiana Governmental Audit Guide and the Louisiana Auditor's Charter, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALIBRAN, LOUISIANA 71225 • TELEPHONE 318/648-8728

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

**BOARD OF COMMISSIONERS
LAKE BRAIN WATERWORKS DISTRICT NO. 1
St. Joseph, Louisiana**

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Lake Brain Waterworks District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Lake Brain Waterworks District No. 1's compliance with certain laws and regulations during the year ended December 31, 1998, included in the accompanying *Louisiana Allocation 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 to satisfy the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$12,000, or public works exceeding \$300,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2231 (the public bid law).

A review was made of all disbursements for the year. There were no disbursements exceeding \$12,000 made during the year.

Code of Ethics for Public Officials and Public Employees

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

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

Board of Commissioners
Lake Umbagog Waterworks District No. 1
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 1998

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

The district had no employees during the year ended December 31, 1998.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

See procedure #5.

Budgeting

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

The district is not legally required to adopt a budget.

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

See procedure #5.

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 5% or more.

See procedure #5.

Accounting and Reporting

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

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

I examined supporting documentation for each of the six selected disbursements and found that the 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;

The six selected payments were properly coded to the correct fund and general ledger

Board of Commissioners
Lake Brant Waterworks District No. 1
Independent Accountant's Report on
Applying Approval-Upon Procedures
December 31, 1998

account.

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

Inspection of documentation supporting each of the six selected disbursements indicated approval from the proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by I.S.A. RS 42 (1-13) (the opening meetings law).

The district posted the agenda for meetings at least 24 hours prior to the time of the meeting.

Bank

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

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

Advances and Bonuses

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

The district had no employees during the year ended December 31, 1998.

The accompanying schedule of prior year findings provides details on the actions taken by management with regards to the finding reported in my prior year report dated June 9, 1998.

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

Board of Commissioners
Lake Bihaire Waterworks District No. 1
Independent Accountant's Report on
Applying Agreed-Upon Procedures
December 31, 1998

This report is intended solely for the use of management of the Lake Bihaire Waterworks District No. 1 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.



Charles R. Quinn
Caffroux, Louisiana
June 3, 1999

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*.

M. Carlton Dumas
Certified Public Accountant
309 Donatien Rd.
Caldonia, La 70225

Mrs. Dumas,

In connection with your compilation of our financial statements of the Lake Biouin Waterworks District No. 1 as of December 31, 1998 and for the year then ended, and as required by Louisiana Revised Statute 24:313 and the Louisiana Governmental Audit Code, we make the following representation 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 information available to us as of March 16, 1999.

PUBLIC BID LAW

1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes No N/A

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. No employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1103-1124.

Yes No N/A

3. 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 which would constitute a violation of LSA-RS 42:1119.

Yes No N/A

BUDGETING

4. 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 N/A

ACCOUNTING AND REPORTING

5. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44.7, 44.33, and 44.36.

Yes No N/A

6. We have filed our annual financial statements in accordance with LSA-RS 34:504, LSA-RS 33:463, and/or LSA-RS 38:93, as applicable.

Yes No N/A

7. We have had our financial statements audited or compiled in accordance with LSA-RS 34:513.

Yes No N/A

MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes No N/A

DEBT

9. 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 N/A

ADVANCES AND BONUSES

10. 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 79-739.

Yes No N/A

We have disclosed to you all known non-compliance 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 non-compliance 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 non-compliance which may occur subsequent to the issuance of your report.

Allen A. Leigh 3-16-75

President

Date