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**JEFFERSON DAVIS PARISH
WATER WORKS DISTRICT NO. 1
Roanoke, Louisiana**

**Financial Statements
As of and for the Years Ended
December 31, 1999 (Compiled)
and 1998 (Audited)**

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 ~~JUN 07 2000~~

**JEFFERSON DAVIS PARISH
WATERWORKS DISTRICT NO.1**

**Financial Statements and Independent
Auditor's Reports
As of and for the Year Ended December 31, 1999 (Compiled)
and 1998 (Audited)**

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Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

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PO Box 1347, Jennings, LA 70546

Phone (318) 824-7773

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT


To the Board of Commissioners
Jefferson Davis Parish Waterworks District No. 1
Roanoke, Louisiana

I have compiled the accompanying general purpose financial statements of the Jefferson Davis Parish Waterworks District No. 1, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 1999, and the accompanying supplementary information contained in pages 20 and 21, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the Jefferson Davis Parish Waterworks District No. 1. I have not audited or reviewed the accompanying general purpose financial statements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

The financial statements for the year ended December 31, 1998, were audited by me and I expressed an unqualified opinion on them in my report dated May 21, 1999, but I have not performed any auditing procedures since that date.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report, dated May 1, 2000, on the results of my agreed-upon procedures.


Certified Public Accountant

Jennings, Louisiana
May 1, 2000

JEFFERSON DAVIS PARISH WATERWORKS DISTRICT NO. 1

Roanoke, Louisiana

PROPRIETARY FUND - ENTERPRISE FUND

(All Fund Types and Account Groups)

BALANCE SHEETS

As of December 31, 1999 and 1998

	<u>1999</u> <u>Compiled</u>	<u>1998</u> <u>Audited</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 52,289	\$ 51,274
Accounts receivable	3,766	3,406
Total current assets	<u>56,055</u>	<u>54,680</u>
Restricted assets:		
Cash and cash equivalents	<u>32,859</u>	<u>31,412</u>
Property, plant and equipment, net	<u>82,181</u>	<u>87,550</u>
TOTAL ASSETS	\$ <u>171,095</u>	\$ <u>173,642</u>
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 3,410	\$ 3,326
Accounts payable	1,346	1,494
Customer deposits	1,800	1,765
Payroll and other taxes payable	1,113	1,000
Accrued liabilities	1,115	1,330
Total current liabilities	<u>8,784</u>	<u>8,915</u>
Long-term liabilities		
Long-term debt, net of current portion	<u>14,783</u>	<u>18,277</u>
Total liabilities	<u>23,567</u>	<u>27,192</u>
Fund equity:		
Retained earnings:		
Reserved	31,058	29,647
Unreserved-undesignated	116,470	116,803
Total retained earnings	<u>147,528</u>	<u>146,450</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>171,095</u>	\$ <u>173,642</u>

See accompanying notes and accountant's report.

JEFFERSON DAVIS PARISH WATERWORKS DISTRICT NO. 1
Roanoke, Louisiana

PROPRIETARY FUND-ENTERPRISE FUND
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN RETAINED EARNINGS
For the Years Ended December 31, 1999 and 1998

	<u>1999</u> <u>Compiled</u>	<u>1998</u> <u>Audited</u>
OPERATING REVENUES:		
Charges for services	\$ 43,931	\$ 42,165
Total operating revenues	<u>43,931</u>	<u>42,165</u>
 EXPENDITURES		
Salaries and related benefits	16,784	16,413
Board per diem payments	2,980	3,020
Operating services	10,032	10,280
Materials, supplies and repairs	8,184	6,872
Depreciation expense	6,253	5,421
Total operating expenses	<u>44,233</u>	<u>42,006</u>
 OPERATING INCOME (LOSS)	 <u>(302)</u>	 <u>159</u>
 NON-OPERATING REVENUES (EXPENSES):		
Grant income	-	10,000
Interest income	2,123	2,333
Interest expense	(743)	(870)
Total non-operating revenues (expenses)	<u>1,380</u>	<u>11,463</u>
 NET INCOME (LOSS)	 1,078	 11,622
 RETAINED EARNINGS AT BEGINNING OF YEAR	 <u>146,450</u>	 <u>134,828</u>
 RETAINED EARNINGS AT END OF YEAR	 <u>\$ 147,528</u>	 <u>\$ 146,450</u>

See accompanying notes and accountant's report.

JEFFERSON DAVIS PARISH WATERWORKS DISTRICT NO. 1

Roanoke, Louisiana

PROPRIETARY FUND - ENTERPRISE FUND

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 1999 and 1998

	1999	1998
	<u>Compiled</u>	<u>Audited</u>
Cash flows from operating activities:		
Operating income (loss)	\$ (302)	\$ 159
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	6,253	5,421
Net changes in assets and liabilities:		
Decrease (increase) in accounts receivables	(360)	178
Increase (decrease) in accounts payable	(148)	474
Increase (decrease) in customer deposits payable	35	140
Increase (decrease) in payroll and other taxes payable	113	186
Increase (decrease) in accrued liabilities	(215)	264
Net cash provided (used) by operating activities	<u>5,376</u>	<u>6,822</u>
 Cash flows from noncapital financing activities:		
Grant income	<u>-</u>	<u>10,000</u>
 Cash flows from capital and related financing activities:		
Purchase of capital assets	(884)	(15,362)
Principle paid on notes	(3,410)	(3,324)
Interest paid on long-term debt	(743)	(870)
Net cash provided (used) by capital and related financing activities	<u>(5,037)</u>	<u>(19,556)</u>
 Cash flows from investing activities:		
Interest income	<u>2,123</u>	<u>2,333</u>
 Net increase (decrease) in cash and cash equivalents	2,462	(401)
 Cash and cash equivalents at beginning of year	<u>82,686</u>	<u>83,087</u>
 Cash and cash equivalents at end of year	<u>\$ 85,148</u>	<u>\$ 82,686</u>
 Cash and cash equivalents at end of year consist of:		
Unrestricted cash	\$ 52,289	\$ 51,274
Restricted cash	32,859	31,412
Total	<u>\$ 85,148</u>	<u>\$ 82,686</u>

See accompanying notes and accountant's report.

JEFFERSON DAVIS PARISH WATERWORKS DISTRICT NO.1

Notes to the Financial Statements December 31, 1999 (Compiled) and 1998 (Audited)

INTRODUCTION

The Waterworks District No. 1 of the Parish of Jefferson Davis (District) was created by the Jefferson Davis Parish Police Jury pursuant to LSA-RS 33.3811 in 1965. The District has the power and authority, within its boundaries, to establish, acquire, construct, improve, extend and maintain a waterworks system. The District is a subdivision of the State of Louisiana and may issue bonds and levy taxes in accordance with Article 6, Section 30.

Under the provision of LSA-RS 33:8812, the District shall be governed and controlled by five commissioners who shall be the governing authority of the district. These commissioners must be a resident of and own at least the five hundred dollars worth of real estate in the district, or they *must be the representative of some corporation owning at least five hundred dollars in real estate in the district.* These commissioners are appointed by the Jefferson Davis Police Jury. All commissioners shall serve at the pleasure of the authority which appointed them.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements 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 the governing authority of the parish, for reporting purposes, the Jefferson Davis Parish Police Jury is the financial reporting entity for Jefferson Davis 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 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.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Jefferson Davis Parish Police Jury 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:

JEFFERSON DAVIS PARISH WATERWORKS DISTRICT NO.1

Notes to the Financial Statements December 31, 1999 (Compiled) and 1998 (Audited)

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 a voting majority of the board and has the ability to impose its will on that organization, the district was determined to be a component unit of the Jefferson Davis 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

The Jefferson Davis Parish Waterworks District 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.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Fund equity is segregated into contributed capital (if any) and retained earnings components. Proprietary fund type operating statements present increases and decreases in net total assets. All proprietary funds are accounted for using the accrual basis of accounting. Their revenues

JEFFERSON DAVIS PARISH WATERWORKS DISTRICT NO.1

Notes to the Financial Statements December 31, 1999 (Compiled) and 1998 (Audited)

are recognized when they are earned, and their expenses are recognized when they are incurred.

Revenues

Water distribution fees are reported in the month they are earned. These fees are assessed on or about the 20th of each month, become due on the first to the following month and are delinquent on the 10th of that month. A late fee of 10% is assessed on water distribution fees that are not paid by the 10th of the month in which they become delinquent and a disconnect fee of \$10.00 is assessed if the customer still has not paid by the 10th of the following month.

Interest earnings on time deposits with financial institutions are recorded when the time deposits have matured and the interest is available to the District.

Expenditures

Expenditures are generally recognized under the accrual basis of accounting. That is, they are recognized when they are incurred.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

F. FIXED ASSETS

Fixed assets of the District are included on the balance sheet of the fund. Interest costs incurred during construction are capitalized. Depreciation of all exhaustible fixed assets are charged as an expense against operations. Fixed assets reported on the balance sheet are net of accumulated depreciation. All assets are valued at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

JEFFERSON DAVIS PARISH WATERWORKS DISTRICT NO.1

**Notes to the Financial Statements
December 31, 1999 (Compiled) and 1998 (Audited)**

Distribution, treatment, and filtering facilities	50 Years
Major equipment and facilities	20 Years
Minor equipment and facilities	10 Years
Office furniture and computers	5 Years

G. RESTRICTED ASSETS

These assets consist of cash restricted for various purposes as detailed in Note 3.

H. PENSION PLAN

The District has no full-time employees that qualify for participation in any of the public employee retirement systems.

I. RESERVES

The District uses reserves to indicate that a portion of the fund balance or retained earnings is legally segregated for a specific future use. The District has cash reserves on deposit as is required by FHA.

2. CASH AND CASH EQUIVALENTS

At December 31, 1999 and 1998, the District has cash (book) balances totaling \$ 85,147 and \$82,687 as follows:

	<u>1999</u>	<u>1998</u>
Non-interest-bearing demand deposits	\$ 33,129	\$ 32,788
Interest bearing savings accounts	2,016	1,987
Certificates of deposits	<u>50,003</u>	<u>47,911</u>
Total	<u>\$ 85,148</u>	<u>\$ 82,686</u>

At December 31, 1999 and 1998, the District had \$ 85,897 and \$ 83,436 in deposits (collected bank balances). These balances were fully secured from risk by federal deposit insurance.

JEFFERSON DAVIS PARISH WATERWORKS DISTRICT NO.1

**Notes to the Financial Statements
December 31, 1999 (Compiled) and 1998 (Audited)**

3. RESTRICTED ASSETS

Assets were restricted for the following purposes as of December 31, 1999 and 1998:

	<u>1999</u>	<u>1998</u>
Bond reserve account	\$ 9,100	\$ 8,666
Bond contingency account	21,959	20,981
Customer deposits	<u>1,800</u>	<u>1,765</u>
 Total	 <u>\$ 32,859</u>	 <u>\$ 31,412</u>

4. PROPERTY, PLANT AND EQUIPMENT

A summary of proprietary fund type property, plant and equipment at December 31, 1999 and 1998 follows:

	<u>1999</u>	<u>1998</u>
Land-right of way	\$ 400	\$ 400
Wells and pumpshed	36,386	36,386
Storage and treatment plant	106,060	105,176
Distribution system	59,132	59,132
Office equipment	<u>3,463</u>	<u>3,463</u>
 Total cost	 \$ 205,441	 \$ 204,557
 Less accumulated depreciation	 <u>(123,260)</u>	 <u>(117,007)</u>
 Net	 <u>\$ 82,181</u>	 <u>\$ 87,550</u>

5. LONG-TERM DEBT

At December 31, 1999 and 1998, the long-term debt of the District consists of a note payable to the Farmers Home Administration. Changes in long-term debt for the year ended December 31, 1999 and 1998 are as follows:

	Balance at 12-31-98	Additions	Reductions	Balance at 12-31-99
Notes payable	\$ <u>21,603</u>	\$ <u>-0-</u>	\$ <u>3,410</u>	\$ <u>18,193</u>
	Balance at 12-31-97	Additions	Reductions	Balance at 12-31-98
Notes payable	\$ <u>24,927</u>	\$ <u>-0-</u>	\$ <u>3,324</u>	\$ <u>21,603</u>

JEFFERSON DAVIS PARISH WATERWORKS DISTRICT NO.1

**Notes to the Financial Statements
December 31, 1999 (Compiled) and 1998 (Audited)**

Long-term debt at December 31, 1999 and 1998 is comprised of the following:

	1999	1998
\$ 83,000 Farmers Home Administration note, payable in Monthly installments of \$350, including principal and interest, to August 15, 2004, interest at 3.75%	\$ <u>18,193</u>	\$ <u>21,603</u>

The annual requirements to amortize all debt outstanding at December 31, 1997 and 1998 including interest are as follows:

Year ended December 31	1999	1998
	\$	\$
1999	-0-	4,200
2000	4,200	4,200
2001	4,200	4,200
2002	4,200	4,200
2003	4,200	4,200
2004	3,154	3,154
Total Principal and Interest	\$ <u>19,954</u>	\$ <u>24,154</u>
Less Interest	<u>(1,761)</u>	<u>(2,551)</u>
Total Principal Payable	\$ <u>18,193</u>	\$ <u>21,603</u>

6. LITIGATION AND CLAIMS

The District is not presently involved in any litigations as plaintiff or defendant.

7. YEAR 2000 COMPLIANCE

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The District has not inventoried computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting operations. It is unknown as of December 31, 1999, what effects, if any, failing to remediate any such systems will have upon the District's operations and financial reporting.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, the District's remediation efforts will be successful in whole or in part, or the parties with whom the District does business will be Year 2000 ready.

ADDITIONAL REPORTS

Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

112 West Plaquemine Street, Suite B

PO Box 1347, Jennings, LA 70546

Phone (318) 824-7773

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Jefferson Davis Parish Waterworks District No. 1
Jefferson Davis Parish Police Jury
Roanoke, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Jefferson Davis Parish Waterworks District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Jefferson Davis Parish Waterworks District No. 1's compliance with certain laws and regulations during the year ended December 31, 1999 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

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

There were no expenditures for materials and supplies which exceeded \$15,000. There were no expenditures 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 interest of all board members and employees, as well as their immediate families.

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

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

Management provided us with the required list.

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

None of the employees included on the list of employees provided by management appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

As per Louisiana Revised Statute 39:1302, Proprietary Funds are not required to adopt a budget.

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

Not applicable

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

Not applicable

Accounting and Reporting

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

- a) Trace payments to supporting documentation as to proper amount and payee;

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

All of the payments examined 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 Waterworks District No. 1.

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 42:2 (the open meetings law).

The Waterworks District No. 1 does not have an established office location, but advertises the location of its monthly meetings. I was able to examine evidence that management does advertise the location of monthly meetings, as well as, advertise the agendas and minutes for such meetings.

Debt

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

I inspected copies of all deposits 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.

I inspected payroll records for the year and noted no instances which would indicate payments to employees which constitute bonuses, advances, or gifts.

The prior year report dated May 21, 1999, did not include any comments or unresolved matters.

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

This report is intended solely for the use of management of the Jefferson Davis Parish 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.



Certified Public Accountant
Jennings, Louisiana
May 1, 2000

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

January 5, 2000

To:

Mike B. Gillespie, CPA, APAC
PO Box 1347
Jennings, LA 70546

In connection with your compilation of our financial statements as of December 31, 1999 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of
3-7-00 (Date)

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 39:34.
Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.
Yes [] No []

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

Yes [X] No []

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

Yes [X] No []

Meetings

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

Yes [Y] No []

Debt

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

Yes [X] No []

Advances and Bonuses

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

Yes [X] No []

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

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

By:

Jefferson Davis Parish Water Works District No. 1

Katherine D. Cormier Secretary 3-7-00 Date

Katherine D. Cormier Treasurer 3-7-00 Date

Raymond E. Brown President 3-7-00 Date

JEFFERSON DAVIS PARISH WATERWORKS DISTRICT NO. 1
 Roanoke, Louisiana

SCHEDULE OF PRIOR AUDIT FINDINGS
 For the Year Ended December 31, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken	Additional Explanation
SECTION I- INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS					
96-1	1996	Due to small number of employees the District does not have adequate segregation of functions within accounting system. This condition still exists at December 31,1999	No-see additional explanation.	Change may not be feasible.	Based upon the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.
SECTION II-INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS					
N/A	N/A	N/A	N/A	N/A	N/A
SECTION III-MANAGEMENT LETTER					
N/A	N/A	N/A	N/A	N/A	N/A

JEFFERSON DAVIS PARISH WATERWORKS DISTRICT NO. 1
Roanoke, Louisiana

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
For the Year Ended December 31, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
SECTION I-INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS				
N/A	N/A	N/A	N/A	N/A
SECTION II-INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS				
N/A	N/A	N/A	N/A	N/A
SECTION III-MANAGEMENT LETTER				
N/A	N/A	N/A	N/A	N/A

JEFFERSON DAVIS PARISH WATERWORKS DISTRICT NO. 1
Roanoke, Louisiana

SCHEDULE OF COMPENSATION PAID TO COMMISSIONERS
For the Year Ended December 31, 1999 (Compiled) and 1998 (Audited)

	<u>1999</u>	<u>1998</u>
Raymond Brown	\$ 720	\$ 720
Clayton Ravey	630	550
Jacqueline Hayes	630	600
Joseph Thibodeaux	630	600
Harold Menard	200	550
Alvin Stanley	170	0
	<u> </u>	<u> </u>
Total	<u>\$ 2,980</u>	<u>\$ 3,020</u>

JEFFERSON DAVIS PARISH WATERWORKS DISTRICT NO. 1
Roanoke, Louisiana

Additional Information Required by Unites States Department of Agriculture
For the Year Ended December 31, 1999

1. Accounts receivable were aged as follows:

Current	\$ 3,448
Past Due	318
	<u>\$ 3,766</u>

2. Number of customers:

Residential	199
Commercial	18

3. Schedule of insurance in force was as follows:

<u>Policy No.</u>	<u>Company</u>	<u>Agent</u>	<u>Type Coverage</u>	<u>Amount Coverage</u>	<u>Effective Date</u> <u>From To</u>	
GL000-507-89-1199	New Hampshire Ins. Co.	Daly Williams Agency	General Liability	General Aggregate \$2,000,000	2/1/99	2/1/00
				Products-comp/op Agg. \$2,000,000 Bodily Injury & Prop. Damage \$1,000,000 Personal & adv. Injury \$1,000,000 Each occurrence \$1,000,000 Fire damage \$50,000 Medical expense \$5,000		
AM-CFP531384	American International South	Daly Williams Agency	Water filtration System Fire(90% Coinsurance)	Bldg./Elec. System \$31,000 Water filtration System \$62,000 Elec. Motors/pumps \$14,000	6/11/99	6/11/00

4. Schedule of water rates used were as follows:

0 to 3,000 gallons are billed \$10.00

Consumption over 3,000 gallons is charged \$0.15 per every 100 gallons

10% late fee is assessed on past dues