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**CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana**

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**General Purpose Financial Statements and
Auditor's Independent Reports
As of and for the Two Years
Ended December 31, 1999
With Supplemental Information Schedule**

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 8-23-00

**JAMES T. BATES
CERTIFIED PUBLIC ACCOUNTANT**

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Bossier City, Louisiana 71111**

**CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana**

**General Purpose Financial Statements and
Auditor's Independent Reports
As of and for the Two Years
Ended December 31, 1999
With Supplemental Information Schedule**

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

General Purpose Financial Statements

As of and for the Two Years
Ended December 31, 1999

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CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

General Purpose Financial Statements

As of and for the Two Years
Ended December 31, 1999

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INDEPENDENT AUDITOR'S REPORT

James T. Bates

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Independent Auditor's Report

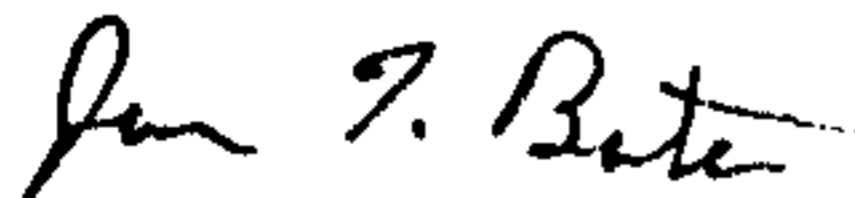
Board of Commissioners
Cypress-Black Bayou Recreation and
Water Conservation District
Benton, Louisiana

I have audited the general purpose financial statements of the Cypress-Black Bayou Recreation and Water Conservation District (the "District"), as of and for the two years ended December 31, 1999, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Cypress-Black Bayou Recreation and Water Conservation District, as of December 31, 1999, and the results of operations for the two years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 22, 2000 on my consideration of the Cypress-Black Bayou Recreation and Water Conservation District's internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts and grants.



June 22, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, December 31, 1999

	GOVERNMENTAL FUND - <u>GENERAL FUND</u>	...ACCOUNT GENERAL FIXED <u>ASSETS</u>	GROUPS... GENERAL LONG-TERM <u>DEBT</u>	TOTAL (MEMORANDUM <u>ONLY</u>)
<u>ASSETS AND OTHER DEBITS</u>				
Cash and cash equivalents (note 1-F and 3)	\$ 188,766	\$ 0	\$ 0	\$ 188,766
Receivables (note 4)	351,207	0	0	351,207
Land, buildings, equipment and improvements (note 5)	0	11,801,761	0	11,801,761
Amount available for debt Service	0	0	0	0
Amount to be provided for retirement of general long term debt	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 539,973	\$ 11,801,761	\$ 0	\$ 12,341,734
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Account payable	\$ 31,525	\$ 0	\$ 0	\$ 31,525
Payroll deductions and withholdings payable	1,427	0	0	1,427
Capital leases payable (note 8)	0	0	0	0
Total Liabilities	32,952	0	0	32,952
Fund Equity:				
Investment in general fixed assets	0	11,801,761	0	11,801,761
Fund Balance:				
Reserved for:				
Capital Construction	1,840	0	0	1,840
Unreserved - Undesignated	505,181	0	0	505,181
Total Fund Equity	507,021	11,801,761	0	12,308,782
TOTAL LIABILITIES AND FUND EQUITY	\$ 539,973	\$ 11,801,761	\$ 0	\$ 12,341,734

The accompanying notes are an integral part of this statement.

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

GOVERNMENTAL FUND - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Ad valorem taxes	\$ 306,922	\$ 304,354	\$ (2,568)
Intergovernmental revenue - State Revenue Sharing (net)	19,272	20,411	1,139
Federal Emergency Management Agency	138,753	138,753	
Permits, leases, and fees	342,720	356,256	13,536
Sales and charges for goods and services	2,400	2,400	0
Use of money and property - interest earnings on in- vestments	5,358	7,353	1,995
Grants	14,300	14,300	
Other revenues	<u>107,148</u>	<u>113,932</u>	<u>6,784</u>
Total revenues	<u>936,873</u>	<u>957,759</u>	<u>20,886</u>
<u>EXPENDITURES</u>			
General government:			
Legislative-Commissioners' per diem (Schedule 1)	2,440	2,040	400
Finance and administrative	34,698	36,144	(1,446)
Culture and recreation:			
Personal service:			
Salaries and wages	220,384	228,024	(7,640)
Employee benefits	25,748	26,800	(1,052)
Security	127,210	123,237	3,973
Nature Center	1,273	4,889	(3,616)
Operating services:			
Utilities	40,385	40,194	191
Communications	12,875	13,477	(602)
Maintenance of property and equipment	273,272	273,117	155
Insurance and surety bonds	57,383	60,490	(3,107)
Zoo			
Operations	28,535	29,518	
Construction	14,550	14,550	
Other expenditures	<u>34,974</u>	<u>36,977</u>	<u>(2,003)</u>
Total expenditures	<u>873,727</u>	<u>889,457</u>	<u>(14,747)</u>
EXCESS OF REVENUES OVER EXPENDITURES	63,146	68,302	5,156
FUND BALANCE AT BEGINNING OF YEAR	<u>97,549</u>	<u>438,719</u>	<u>341,170</u>
FUND BALANCE AT END OF YEAR	<u>\$ 160,695</u>	<u>\$ 507,021</u>	<u>\$ 346,326</u>

The accompanying notes are an integral part of this statement.

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

GOVERNMENTAL FUND - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad valorem taxes	\$ 336,000	\$ 339,383	\$ 3,383
Intergovernmental revenues - State Revenue Sharing (net)	18,500	19,271	771
Permits, leases, and fees	373,695	382,050	8,355
Sales and charges for goods and services	2,710	2,703	(7)
Use of money and property - interest earnings on in- vestments	5,200	7,539	2,339
Grants	50,000	75,000	25,000
Other revenues	3,800	3,997	197
Total revenues	<u>789,905</u>	<u>829,943</u>	<u>40,038</u>
EXPENDITURES			
General government:			
Legislative-commissioners' per diem (Schedule 1)	4,250	4,040	210
Finance and administration	37,820	37,912	(92)
Culture and recreation:			
Personal service:			
Salaries and wages	236,850	240,105	(3,255)
Employee benefits	32,750	33,293	(543)
Security	66,500	64,743	1,757
Nature Center	3,900	3,764	136
Operating services:			
Utilities	52,000	50,182	1,818
Communications	8,200	9,141	(941)
Maintenance of property and equipment	121,653	132,113	(10,460)
Insurance and surety bonds	87,000	57,411	29,589
Debt service:			
Principal	4,918	4,918	0
Interest	450	450	0
Zoo			
Operations	6,800	12,132	(5,332)
Construction	135,000	74,484	60,516
Other expenditures	28,646	30,944	(2,298)
Total expenditures	<u>826,737</u>	<u>755,632</u>	<u>71,105</u>
EXCESS OF REVENUES OVER EXPENDITURES	(36,832)	74,311	111,143
FUND BALANCE AT BEGINNING OF YEAR	118,724	449,721	330,997
Repayment of Prior Year Grant	(85,313)	(85,313)	(85,313)
FUND BALANCE AT END OF YEAR	<u>\$ 81,892</u>	<u>\$ 438,719</u>	<u>\$ 356,827</u>

The accompanying notes are an integral part of this statement.

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cypress-Black Bayou Recreation and Water Conservation District was created by Act 292 of 1958 to develop the wealth and natural resources of the District by conserving water for agricultural, municipal, recreational, commercial, industrial, and sanitary purposes. The District is comprised of a board of five commissioners, one each appointed by the Bossier Parish Police Jury, the Bossier Parish School Board, the mayor and governing authority of the City of Bossier City, the mayor and governing authority of the Town of Benton, and the Bossier Levee District.

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

Based upon the above criterion for determining the governmental reporting entity and component units that should be included within the reporting entity and state statutes that created the District giving it the authority over all operations; which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds, the District was determined to be a primary governmental entity and has a component unit over which it exercises oversight responsibility.

The financial statements present the District (the primary government) and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operational or financial relationship with the District.

(Continued)

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Notes to the Financial Statements

CYPRESS-BLACK BAYOU ZOOLOGICAL GARDEN ASSOCIATION, INC.

The Cypress-Black Bayou Zoological Garden Association, Inc. (Zoo) was incorporated on March 24, 1995 as a nonprofit corporation under the laws of the State of Louisiana and has been approved by the Internal Revenue Service as a Sec 501(c)(3) corporation for the purpose of soliciting grants and donations for the operation of a children's petting zoo. The members of the Zoo's Board of Directors consists of the individuals that comprise the District's Board of Commissioners and has an volunteer advisory Board, it has been blended with the District's financial statement.

A. FUND ACCOUNTING

The accounts of the District are organized on the basis of a fund (General Fund) and account groups, each of which is considered a separate accounting entity. The operations of the General Fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. The General Fund is the general operating fund of the District and accounts for all financial activities of the District.

B. GENERAL FIXED ASSETS

Fixed assets are accounted for in the General Fixed Assets Account Group, rather than in the General Fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

The account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The General Fund is accounted for using the flow

(Continued)

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Notes to the Financial Statements

of current financial resources measurement focus. The General Fund is reported on the modified accrual basis of accounting using the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest income on certificates of deposits is recorded when the deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded at the end of each month when credited by the bank.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due, and compensated absences, which are recognized when the leave is actually taken.

D. BUDGET PRACTICES

The proposed budgets for the fiscal years ended December 31, 1998 and 1999, were made available for public inspection at the District's office on December 9, 1997 and November 18, 1998, respectively. The proposed budgets, prepared on the modified accrual basis of accounting, were published in the official journal prior to the public

(Continued)

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Notes to the Financial Statements

hearing, which was held at the District's office, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Board of Commissioners. At fiscal close, all unexpended appropriations lapse and must be reappropriated in next year's budget to be expended. Encumbrances are not recorded or recognized in the District's budget. All changes in the budget must be approved by the Board of Commissioners.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed in the District's accounting system.

F. CASH AND CASH EQUIVALENTS

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 and national banks having their principal offices in Louisiana.

G. INVENTORIES

Inventories of the District consist of expendable supplies held for consumption and resale. The cost is recorded as an expenditure at the time of purchase. Inventories on hand at December 31, 1998, which is during the District's off-season, are not material and are not reflected in the accompanying financial statements.

(Continued)

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Notes to the Financial Statements

H. VACATION AND SICK LEAVE

Full-time employees earn vacation leave from one to three weeks each year, based upon their length of employment. Hourly-wage employees, who work less than full-time, earn vacation leave based on the average time worked. Upon termination, employees are paid for accumulated vacation leave. Subject to availability of funds, employees are authorized sick leave with pay at the supervisor's discretion and with a doctor's certificate.

At December 31, 1999, employee leave benefits requiring recognition in accordance with GASB Codification Section C60 were determined to be immaterial and are not included within the General Long-Term Debt Account Group. The cost of leave privileges, computed in accordance with the above codification, is recognized as a current-year expenditure within the General Fund when leave is actually taken.

I. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in the column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the two years ended December 31, 1999:

	Authorized <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Operation and maintenance	1.54	1.54	2006

In October, 1995, the voters within the District authorized the District to levy a 10 year 1.54 mills for the purpose of improving, operating and maintaining the public facilities of said District for
(Continued)

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Notes to the Financial Statements

the benefit of the public, including the construction, operation and maintenance of a children's zoo.

3. CASH AND CASH EQUIVALENTS

At December 31, 1999, the district has cash and cash equivalents (book balances) totaling \$187,237 as follows:

Demand deposits	\$ 18,488
Interest Bearing Demand deposits	126,904
Time deposits	<u>43,374</u>
Total	<u>\$188,766</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. 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. Deposits (bank balances) at December 31, 1999, total \$199,218 and are secured by federal deposit insurance and pledged securities with a market value of \$399,699.

4. RECEIVABLES

The following is a summary of receivables at December 31, 1999:

Class of Receivable

Ad valorem taxes	\$337,601
State revenue sharing	<u>13,606</u>
Total	<u>\$351,207</u>

(Continued)

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Notes to the Financial Statements

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the two years ended December 31, 1999, follows:

	<u>Land and Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Total</u>
Balance at January 1, 1998	\$10,486,571	\$ 883,137	\$ 300,993	\$11,670,701
Additions		74,484	10,572	85,056
Deletions		<u>(756)</u>		<u>(756)</u>
Balance at December 31, 1998	<u>\$10,486,571</u>	<u>\$ 956,865</u>	<u>\$ 311,565</u>	<u>\$11,755,001</u>
Balance at January 1, 1999	\$10,486,571	\$ 956,865	\$ 311,565	\$11,755,001
Additions		61,520	17,941	79,461
Deletions		<u>(32,701)</u>		<u>(32,701)</u>
Balance at December 31, 1999	<u>\$10,486,571</u>	<u>\$ 985,684</u>	<u>\$ 329,506</u>	<u>\$11,801,761</u>

Additions to general fixed assets consist of purchases and facilities constructed by the District with its own employees.

6. PENSION PLAN

Substantially all employees of the District are members of the Social Security System. In addition to the employee contribution withheld at 7.65 per cent of gross salary for the two years ended December 31, 1999, the District contributes an equal amount to the Social Security System. Aggregate pension cost for 1998 and 1999 was \$37,633 and \$39,019, respectively. The District does not guarantee the benefits granted by the Social Security System.

7. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The District has no retired employees as of December 31, 1999.

(Continued)

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Notes to the Financial Statements

8. CHANGES IN GENERAL LONG-TERM DEBT/CAPITALIZED LEASE/PURCHASE COMMITMENT

In 1995, the District purchased radio equipment at a total cost of \$18,707, paying \$5,000 down and entering into a three year lease/purchase agreement on the remaining balance of \$13,707. The agreement calls for an annual payment of \$5,368, including interest at 8.2%, due on February 1st, beginning February 1, 1996. After making the February 1, 1998 payment, the lease/purchase was paid in full; and therefore, the restriction of the General Fund fund balance has been removed.

A summary of changes in general long-term debt for the two years ending December 31, 1999, follows:

Capitalized lease payable at January 1, 1998	\$ 4,918
Balances retired: February 1, 1998	<u>(4,918)</u>
Capitalized lease payable at December 31, 1998 and 1999	<u>\$ -0-</u>

In accordance with Louisiana Revised Statute 39:562, the District is legally restricted from incurring long-term bonded debt in excess of 10 percent of the assessed value of taxable property in the District. At December 31, 1999, the statutory limit is \$22,336,988.

9. CHANGES IN RESERVED FUND BALANCE

The following provides detail on changes in the reserved fund balance for the year ended December 31, 1998:

	Capitalized Lease/ <u>Purchase</u>	Capital Construction <u>Project</u>
Reserved at January 1, 1998	\$ 4,918	\$ 85,313
Increases - Grant received for construction		75,240
Decreases - Payment	<u>(4,918)</u>	<u>(158,611)</u>
Reserved at December 31, 1998	<u>\$ -0-</u>	<u>\$ 1,942</u>

(Continued)

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Notes to the Financial Statements

Reserved at January 1, 1999	\$ -0-	\$ 1,942
Increases - Grant received for construction	-0-	14,300
Decreases - Payment	<u>-0-</u>	<u>14,302</u>
Reserved at December 31, 1999	\$ <u>-0-</u>	\$ <u>1,940</u>

SUPPLEMENTAL INFORMATION SCHEDULE

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Schedule of Compensation Paid Commissioners
For the Two Years Ended December 31, 1999

COMPENSATION PAID COMMISSIONERS

This schedule of compensation paid commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 38:2605, the commissioners are entitled to receive, out of available funds of the District, a per diem allowance of \$40 for each meeting of the District that they attend, but no such allowance shall be paid for more than 36 meetings in any calendar year.

1999.....	1998.....	
	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>
Walter Buckmaster	10	\$ 400	0	\$ -0-
Wesley Burdine	0	-0-	16	640
Ernest Covington	15	600	24	960
James Huckabay	13	520	22	880
Ray Urban	13	520	20	800
John Whittington	4	<u>160</u>	22	<u>880</u>
Total		<u>\$2,200</u>		<u>\$4,160</u>

***OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS***

James T. Bates

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

Board of Commissioners
Cypress-Black Bayou Recreation and
Water Conservation District
Benton, Louisiana

I have audited the general purpose financial statements of the Cypress-Black Bayou Recreation and Water Conservation District, as of and for the two years ended December 31, 1999, and have issued my report thereon dated June 22, 2000. I conducted my 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 Cypress-Black Bayou Recreation and Water Conservation District's general purpose financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance that I have reported to management of Cypress-Black Bayou Recreation and Water Conservation District, in a separate letter dated June 22, 2000.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Cypress-Black Bayou Recreation and Water Conservation District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My 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 audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned duties. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management and the State of Louisiana's Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to read "Jim T. Bata". The signature is written in a cursive, slightly slanted style.

June 22, 2000

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Summary Schedule of Prior Audit Findings
December 31, 1999

There were no audit findings or management letter comments for the prior audit period ending December 31, 1997.

Schedule of Current Period Audit Findings

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion of the general purpose financial statements of Cypress-Black Bayou Recreation and Water Conservation District.
2. No reportable conditions are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards.
3. No instances of noncompliance material to the general purpose financial statements of Cypress-Black Bayou Recreation and Water Conservation District were disclosed during the audit.
4. Cypress-Black Bayou Recreation and Water Conservation District does not have a major federal award program.

B. Findings - Financial Statements Audit

None

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Schedule of Prior Audit Findings For
Louisiana Legislative Auditor
December 31, 1999

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments in the previous audit for the two years ended December 31, 1997.

CYPRESS-BLACK BAYOU RECREATION AND
WATER CONSERVATION DISTRICT
Benton, Louisiana

Schedule of Current Audit Findings For
Louisiana Legislative Auditor

Corrective Action Plan for Current Year Audit Findings

There are no findings for the two years ended December 31, 1999.

There is one management letter comment for the current audit period ending December 31, 1999.

Comment #1 - Management

A function of management is to adhere to policy as established by the Board of Commissioners. The Board of Commissioners established a policy on approval of expenditures but failed to set in place a mechanism to document that approval was being properly obtained and therefore, it is my recommendation that the Board and management establish all necessary procedures to document that policies are being adhered to.

Management's Response

Management has a practice of continually reviewing policy and procedures and making recommendations for changes and additions to current policy and procedures as needed to the Board of Commissioners. A procedure has been established to ensure all future records will reflect adherence to existing policy and procedure.

James T. Bates

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Management Letter

Board of Commissioners
Cypress-Black Bayou Recreation and
Water Conservation District
Benton, Louisiana

I have audited the general purpose financial statements of Cypress-Black Bayou Recreation and Water Conservation District (the District), for the two years ended December 31, 1999, and have issued my report thereon dated June 22, 2000. In planning and performing the audit of the general purpose financial statements of District, I considered its internal control over financial reporting in order to determine the auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

During the audit the following item was noted involving internal control over financial reporting and other operational matters which appear to merit your attention for consideration to improve the internal control or operations of the District. These comments have been discussed with the appropriate members of management.

Management

A function of management is to see that procedures are established and functional to ensure that the policies established by the Board of Commissioners are adhered to by the employees of the District. There were instances noted where the following of policy was not properly documented, therefore, it is my recommendation that the policies and procedures be reviewed on an ongoing basis and that future records be documented that existing policy has been adhered to.

I express sincere thanks to the District's personnel for the cooperation and assistance provided me during my audit. I am available to provide you assistance and consultation in the implementation of the above mentioned item. This letter is furnished solely for the use of management and the Board of Commissioners and is not intended to be used for any other purpose.

James T. Bates

June 22, 2000