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ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
SEPTEMBER 30, 1999

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 APR 12 2000

ST. MARY PARISH WATER AND SEWER COMMISSION NO.5
STATE OF LOUISIANA

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
St. Mary Parish Water and Sewer
Commission No. 5,
State of Louisiana
Jeanerette, Louisiana 70544

We have audited the accompanying general purpose financial statements of the St. Mary Parish Water and Sewer Commission No. 5, State of Louisiana, a component unit of the St. Mary Parish Government, as of and for the year ended September 30, 1999 as listed in the table of contents. These general purpose financial statements are the responsibility of the commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable 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. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 Issue. The St. Mary Parish Water and Sewer Commission No. 5, State of Louisiana, has included such disclosures in Note 12. 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. Accordingly, insufficient audit evidence exists to support the St. Mary Parish Water and Sewer Commission No. 5, State of Louisiana's disclosures with respect to the Year 2000 issue made in Note 12. Further, we do not provide assurance that the St. Mary Parish Water and Sewer Commission No. 5, State of Louisiana, is or will be year 2000 ready, that the St. Mary Parish Water and Sewer Commission No. 5, State of Louisiana's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the St. Mary Parish Water and Sewer Commission No. 5, State of Louisiana, does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Mary Parish Water and Sewer Commission No. 5, State of Louisiana as of September 30, 1999, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2000, on our consideration of the St. Mary Parish Water and Sewer Commission No. 5, State of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts.

Independent Auditors' Report
March 16, 2000
Page 2

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the St. Mary Parish Water and Sewer Commission No. 5. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Guidry & Chauvin, CPAs
Certified Public Accountants

Franklin, Louisiana
March 16, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

BALANCE SHEETS
SEPTEMBER 30, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Current Assets:		
Cash	\$ 280,306	\$ 204,498
Accounts receivable (Net of allowance for bad debts of \$4,099 and \$1,567)	21,086	20,598
Unbilled accounts receivable	5,341	5,361
Accrued interest receivable	21	20
Prepaid expenses	3,393	5,179
Due from U.S. Dept. Of Agriculture	-	24,042
Total Current Assets	<u>310,147</u>	<u>259,698</u>
Restricted Assets:		
Revenue bond fund	8,894	8,894
Revenue bond reserve fund	16,098	14,850
Water system depreciation and contingency fund	12,180	10,080
Construction fund	1,669	3,325
Customer deposits	1,300	1,200
Total Restricted Assets	<u>40,141</u>	<u>38,349</u>
Property, Plant & Equipment:		
Cost	3,755,631	3,752,015
Accumulated depreciation	<u>(918,991)</u>	<u>(804,310)</u>
Total Property, Plant & Equipment (net of accumulated depreciation)	<u>2,836,640</u>	<u>2,947,705</u>
Other Assets:		
Deposits	607	754
Bond issue cost (net of amortization of \$5,215 and \$4,817)	<u>10,123</u>	<u>10,520</u>
Total Other Assets	<u>10,730</u>	<u>11,274</u>
TOTAL ASSETS	<u><u>\$3,197,658</u></u>	<u><u>\$3,257,026</u></u>

The accompanying notes are an integral part of this statement.
See the accompanying independent auditor's report.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 1999 and 1998

LIABILITIES AND FUND EQUITY

	<u>1999</u>	<u>1998</u>
Current Liabilities:		
Accounts payable	\$ 13,722	\$ 41,132
Accrued and withheld payroll taxes	1,447	1,011
Accrued wages	2,086	1,279
Due to St. Mary Parish Government	<u>8,370</u>	<u>8,576</u>
Total Current Liabilities	<u>25,625</u>	<u>51,998</u>
Current Liabilities Payable from Restricted Assets:		
Revenue bonds payable - current portion	7,208	6,440
Accrued interest payable	6,557	11,047
Customer deposits payable	<u>1,300</u>	<u>1,200</u>
Total Current Liabilities Payable from Restricted Assets	<u>15,065</u>	<u>18,687</u>
Non-current Liabilities:		
Revenue bonds payable	<u>338,567</u>	<u>346,398</u>
Total Liabilities	<u>379,257</u>	<u>417,083</u>
Fund Equity:		
Contributed capital	<u>3,161,448</u>	<u>3,161,448</u>
Accumulated Deficit:		
Reserved for revenue bond retirement	11,227	6,257
Reserved for renewal and replacement	13,849	13,405
Unreserved	<u>(368,123)</u>	<u>(341,167)</u>
Total Accumulated Deficit	<u>(343,047)</u>	<u>(321,505)</u>
Total Fund Equity	<u>2,818,401</u>	<u>2,839,943</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$3,197,658</u>	 <u>\$3,257,026</u>

The accompanying notes are an integral part of this statement.
See the accompanying independent auditor's report.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN ACCUMULATED DEFICIT
FOR THE YEARS ENDED SEPTEMBER 30, 1999 and 1998

	1999	1998
Operating Revenues:		
Water sales	\$ 113,845	\$ 112,641
Sewer sales	68,339	54,023
Connection and installation fees	4,920	4,010
Garbage collection fee	6,836	9,415
Miscellaneous revenues	3,986	32,599
Bad debt recovery	-	2,847
Total Operating Revenues	197,926	215,535
Operating Expenses	341,198	284,099
Operating Income (Loss)	(143,272)	(68,564)
Non-Operating Revenues (Expenses):		
Ad-valorem property tax revenues	120,085	-
Interest income	9,484	4,701
Grant - St. Mary Parish Government	7,475	35,000
Grant - U.S. Dept. Of Agriculture	2,118	201,882
Loss on sale of asset	-	(1,762)
Interest expense	(17,432)	(12,075)
Total Non-Operating Revenues (Expenses)	121,730	227,746
Net Income (Loss)	(21,542)	159,182
Accumulated Deficit, Beginning of Year	(321,505)	(480,687)
Accumulated Deficit, End of Year	\$ (343,047)	\$ (321,505)

The accompanying notes are an integral part of this statements.
See the accompanying independent auditor's report.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 1999 and 1998

	1999	1998
Cash Flows from Operating Activities:		
Operating income (loss)	\$ (143,272)	\$ (68,564)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:		
Depreciation	115,437	101,402
Amortization of bond issue costs	407	388
(Increase) Decrease in accounts receivable	(488)	(1,336)
(Increase) Decrease in unbilled accounts receivable	20	2,208
(Increase) Decrease in accrued interest receivable	(1)	23
(Increase) Decrease in prepaid expenses	1,786	(2,619)
(Increase) Decrease in due from U.S. Dept. Of Agriculture	24,042	(24,042)
(Increase) Decrease in deposits	147	(169)
(Increase) Decrease in bond issue costs	397	(4,483)
Increase (Decrease) in accounts payable	(27,410)	30,664
Increase (Decrease) in accrued & withheld payroll taxes	436	(1,066)
Increase (Decrease) in accrued wages	807	669
Increase (Decrease) in other current liabilities	-	(230)
Increase (Decrease) in due to St. Mary Parish Government	(206)	5,297
Increase (Decrease) in accrued interest payable	(4,490)	3,619
Increase (Decrease) in customer deposits payable	100	250
Net Cash Provided by Operating Activities	(32,288)	42,011
Cash Flows from Non-Capital Financing Activities:		
Ad Valorem Property Taxes	120,085	-
Operating grants received - U.S. Department Of Agriculture	2,118	201,882
Operating grants received - St. Mary Parish Government	7,475	35,000
Net Cash Provided by Non-Capital Financing Activities	129,678	236,882

The accompanying notes are an integral part of this statement.
See the accompanying independent auditor's report.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 1999 and 1998
(continued)

	<u>1999</u>	<u>1998</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from issuance of revenue bonds	-	120,000
Loss on sale of capital asset	-	(1,762)
Acquisition and construction of capital assets	(4,779)	(292,405)
Principal paid on revenue bond obligations	(7,063)	(5,015)
Interest paid on revenue bond obligations	<u>(17,432)</u>	<u>(12,075)</u>
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(29,274)</u>	<u>(191,257)</u>
Cash Flows from Investing Activities:		
Interest earned on investments	<u>9,484</u>	<u>4,701</u>
Net Cash Provided by Investing Activities	<u>9,484</u>	<u>4,701</u>
Net Increase in Cash and Cash Equivalents	77,600	92,337
Cash and Cash Equivalents at Beginning of Year	<u>242,847</u>	<u>150,510</u>
Cash and Cash Equivalents at End of Year	<u>\$ 320,447</u>	<u>\$ 242,847</u>
Classified as:		
Current Assets	280,306	\$ 204,498
Restricted Assets	<u>40,141</u>	<u>38,349</u>
Total	<u>\$ 320,447</u>	<u>\$ 242,847</u>

The accompanying notes are an integral part of this statement.
See the accompanying independent auditor's report.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1999

INTRODUCTION

St. Mary Parish Water and Sewer Commission No. 5, State of Louisiana was created by the St. Mary Parish Government, on June 25, 1997. The purpose of the commission is to establish, acquire, construct, maintain and operate a waterworks and sewer system for the benefit of the people of the District. The commission was formed to consolidate the operations of the St. Mary Parish Waterworks District No. 7 and the St. Mary Parish Sewerage District No. 10

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose component unit financial statements of the St. Mary Parish Water and Sewer Commission No. 5 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

The commission is a component unit of the St. Mary Parish Government, the financial reporting entity. The parish government is financially accountable for the commission because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the commission and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The St. Mary Parish Water and Sewer Commission No. 5 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 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 is included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 1999

recognized at the time liabilities are incurred. Under this basis of accounting and measurement focus, the commission applies all GASB pronouncements and FASB statements and interpretations, APB opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement. The Enterprise Fund uses the following practices in recording certain revenues and expenses:

Revenues

Fees for water and sewer services are recognized when earned. Ad valorem taxes are recorded in the year that they are received. Connection and service fees are recognized when received. Interest income is recognized when earned. Unbilled utility services receivables are recorded at year end. All other revenues are recorded when received.

Expenses

All expenses are recognized in the period that they are incurred.

E. BUDGETS

The commission did not adopt a formal budget for the year ended September 30, 1999. The commission operates as an enterprise fund therefore it is not subject to nor is it in violation of the Louisiana Local Government Budget Act per LRS 39:1301.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies, are recorded in order to reserve that portion of the applicable appropriation is not employed by the commission.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the commission 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.

Under state law, the commission may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days, otherwise, they are classified as cash equivalents.

H. INTEREST RECEIVABLE

Interest on investments is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 1999

I. PREPAID EXPENSES

Payments made to vendors for services that will benefit periods beyond September 30, 1999, are recorded as prepaid expenses. At September 30, 1999, prepaid expenses were recorded as \$3,393.

J. RESTRICTED ASSETS

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The Revenue Bond Fund is used to segregate resources accumulated for the annual debt service payment. The Revenue Bond Reserve Fund is used to report resources set aside to make up potential future deficiencies in the revenue bond account.

The Depreciation and Contingency Fund is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. Restricted assets are also set aside for repayment of refundable customer deposits.

K. PROPERTY, PLANT & EQUIPMENT

Fixed assets of the commission are included on the balance sheet of the fund. Interest costs incurred during construction are capitalized. Fixed assets used in the proprietary fund type operations are valued at historical costs. Infrastructure fixed assets consisting of the waterworks system and sewer system are capitalized along with other fixed assets. Depreciation of all exhaustible fixed assets used by the proprietary fund type operations is charged as an expense against operations. Fixed assets on the balance sheet are net of accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful lives of the various assets as follows:

Water Supply Facilities	10 - 40 Years
Water and Sewer Treatment Facilities	20 - 40 Years
Water Distribution Facilities	40 Years
Furniture, Equipment, and Vehicles	3 - 7 Years

L. CAPITALIZATION OF INTEREST COSTS

Interest costs incurred by the commission during the construction of an asset for its own use are subject to capitalization based on the guidelines established by FAS-34 (Capitalization of Interest Costs).

M. BOND ISSUE COST

Bond issue costs are deferred and amortized over the life of the bond using the straight-line method.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 1999

N. VACATION, SICK LEAVE BENEFITS AND PENSION PLAN PARTICIPATION

The commission currently employs two full-time employees and one part-time employee. The employees earn one week of paid vacation, sick leave benefits are not provided. The commission does not maintain a pension plan for its employee.

O. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the Enterprise Fund.

P. FUND EQUITY

Contributed Capital

Grants, entitlements, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired from such contributions.

Contributed capital at September 30, 1999 consisted of the following amounts:

St. Mary Parish Government	\$2,351,448
State of Louisiana	250,000
USDA, Rural Development	<u>560,000</u>
Total	<u>\$3,161,448</u>

Reserves

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

Q. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities.

NOTE 2. CASH AND CASH EQUIVALENTS

At September 30, 1999, the commission has cash and cash equivalents (book balances) totaling \$320,447, as follows:

Demand deposits	\$ 30,160
Interest-bearing demand deposits	149,066
Time deposits	<u>141,221</u>
Total	<u>\$ 320,447</u>

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 1999

The 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 bank in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 1999, the commission has \$320,285 in deposits (collected bank balances). These deposits are secured from risk by \$200,285 of federal deposit insurance and \$500,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the commission that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3. FUND DEFICITS

At September 30, 1999, the unreserved retained earnings deficit totals \$368,123.

NOTE 4. RECEIVABLES

The commission records water and sewer revenues in the month the services are rendered. The commission uses the allowance method of accounting for uncollectible accounts receivable. At September 30, 1999 the commission has net accounts receivables of \$21,086.

NOTE 5. AD VALOREM TAXES

The commissions's property tax is levied in October of each year on the assessed value of property within the commission's taxing area. Taxes are due and payable by December 31. The taxes are delinquent on January 1, at which time an enforceable lien attaches to the property. The taxes are collected on behalf of the commission by the Sheriff and then remitted to the commission. Most of the taxes are actually received by the commission in January and February. The tax rate for the year ended December 31, 1998 was ten mills on the dollar of the assessed valuation of all taxable property in the present boundaries of the commission. These taxes are to be used for the purpose of maintaining and operating the water and sewer facility.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 1999

NOTE 6. PROPERTY, PLANT & EQUIPMENT

A summary of property, plant and equipment follows:

	1999
Land	\$ 95,737
Water Supply Facility	396,250
Water Treatment & Storage Facility	466,687
Water Distribution Facility	643,619
Sewer System Facility	2,111,278
Transportation Equipment	23,619
Equipment	15,611
Office Equipment	2,830
Cost	3,755,631
Accumulated Depreciation	918,991
Total	\$2,836,640

Depreciation expense related to the utilization of fixed assets for the year ending September 30, 1999 was \$115,437.

NOTE 7. DUE TO OTHER GOVERNMENTS

Due to St. Mary Parish Government

The commission imposes a monthly collection service charge of \$6.50 per month for each residence from which solid waste is collected, as imposed by St. Mary Parish Government Ordinance No. 1171. The commission remits each month all garbage service charges collected to the St. Mary Parish Government, less a 10% collection fee on all charges, plus a 41 cent collection fee per customer who does not receive water services. At September 30, 1999 the balance due to the St. Mary Parish Government is \$8,370.

NOTE 8. CHANGES IN REVENUE BONDS PAYABLE

The following is a summary of bond transactions of the commission for the year ended September 30, 1999:

	<u>Revenue Bonds</u>
Bonds Payable at September 30, 1998	\$ 352,838
Bonds Retired	(7,063)
Bonds Issued	-
Bonds Payable at September 30, 1999	\$ 345,775

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 1999

Bonds payable at September 30, 1999, are comprised of the following issues:

\$300,000 Waterworks Revenue Bonds dated April 1, 1980; due in annual installments of \$17,787, including principal and interest through April 1, 2020; interest at 5%	\$ 226,884
\$120,000 Waterworks Revenue Bonds dated November 5, 1997; due in monthly installments of \$573.60 including principal and interest beginning on December 5, 1998 through November 5, 2037; interest at 4.875%	<u>118,891</u>
TOTAL	<u>\$ 345,775</u>

The annual requirements to amortize all debt outstanding as of September 30, 1999 is \$632,293, including interest payments of \$286,518 and is payable as follows:

Year Ending September 30	Amount
2000	\$ 24,670
2001	24,670
2002	24,670
2003	24,670
2004	24,670
2005-2037	<u>508,943</u>
Total	<u>\$ 632,293</u>

NOTE 9. FLOW OF FUNDS: RESTRICTION ON USE OF REVENUES

Under the terms of the bond indenture on the outstanding Revenue Bonds dated April 1, 1980 and November 5, 1997, all income and revenue (hereinafter referred to as revenues) of every nature, earned or derived from the operation of the commission, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following funds:

Revenue Fund

Revenues earned from the operation of the commission shall be deposited daily into a "Revenue Fund". This fund will pay all reasonable and necessary expenses of administering, operating and maintaining the commission.

Revenue Bond Fund

Each month, there will be set aside into a fund called the "Revenue Bond Fund" an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bond. Such transfer shall be made by the 20th of each month and shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 1999

Bond Reserve Fund

Funds in the amount of \$105 will be set aside each month into a "Bond Reserve Fund" until there shall have been accumulated in the fund an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may be used only for the payment of maturing bonds and interest for which sufficient funds are not on deposit in the Reserve Fund and which there would otherwise be a default.

Depreciation and Contingency Fund

Funds in the amount of \$175 will also be set aside each month into a "Depreciation and Contingency Fund". Money in this fund may be used to care for extensions, additions, improvements, renewals and replacement necessary to properly operate the commission. Money in this fund may also be used to pay the principal of and interest on the bonds falling due any time there is not sufficient money for payment in the other bond funds.

All revenues received in any fiscal year and not required to be paid during such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

NOTE 10. LEASES

The commission had no material capital or operating leases at September 30, 1999.

NOTE 11. LITIGATION

There is no litigation pending against the commission's office at September 30, 1999.

NOTE 12. YEAR 2000 ISSUE (UNAUDITED)

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. Time and space saving programming decisions made in prior years resulted in two-digit computer codes that may not correctly recognize "00" as the year 2000. Serious processing error or system failure could result. To prevent this error, computer systems and equipment must be programmed or replaced to make them year 2000 compliant.

The commission is significantly dependent on computerized systems for essential operations and to provide services to citizens. The commission has made necessary changes to upgrade its computer systems and equipment to achieve year 2000 compliance. 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 commission is or will be year 2000 ready, that the commission's remediation efforts will be successful in whole or in part, or that parties with whom the commission does business will be year 2000 ready.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED SEPTEMBER 30, 1999

SCHEDULE OF CHANGES IN ASSETS RESTRICTED
FOR REVENUE AND BOND DEBT SERVICE

This schedule is presented in order to provide a detail of accounting in the restricted asset bank accounts. (Schedule 1)

SCHEDULES OF OPERATING EXPENSES

These schedules are presented to provide a detailed breakdown of the operating expenses for the year ended September 30, 1999 and 1998. (Schedule 2)

SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN
ACCUMULATED DEFICIT (BY DEPARTMENT)

These schedules are presented to provide additional information on the operating income or (loss) of the water and sewer departments as required by U.S. Department of Agriculture. (Schedules 3 and 4)

SCHEDULE OF INSURANCE - UNAUDITED

This schedule is presented in accordance with the requirements of U.S. Department of Agriculture. (Schedule 5)

SCHEDULE OF WATER RATES AND NUMBER OF CUSTOMERS - UNAUDITED

This schedule is presented in accordance with the requirements of U.S. Department of Agriculture. (Schedule 6)

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Louisiana Revised Statute Section 3819 provides for each board member to receive a per diem not to exceed \$60 for each meeting they attend, up to and including 24 meetings each year and for each special meeting not to exceed 12 per year. (Schedule 7)

SCHEDULE OF AGED ACCOUNTS RECEIVABLE

This schedule is presented in accordance with the requirements of U.S. Department of Agriculture. (Schedule 8)

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED SEPTEMBER 30, 1999

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings. (Schedule 9)

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR CURRENT AUDIT FINDINGS

The corrective action plan for current year audit findings is presented in Schedule 10.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

SCHEDULE OF CHANGES IN ASSETS
RESTRICTED FOR REVENUE BOND DEBT SERVICE
FOR THE YEAR ENDED SEPTEMBER 30, 1999

	<u>REVENUE BOND FUND</u>	<u>REVENUE BOND RESERVE FUND</u>	<u>DEPRECIATION AND CONTINGENCY FUND</u>	<u>TOTAL</u>
Cash, September 30, 1998	\$ 8,894	\$ 14,850	\$ 10,080	\$ 33,824
Cash Receipts	<u>17,787</u>	<u>1,248</u>	<u>2,100</u>	<u>21,135</u>
Total Cash Available	26,681	16,098	12,180	54,959
Cash Disbursements:				
Interest Payments	(11,833)	-	-	(11,833)
Bond Payments	<u>(5,954)</u>	<u> </u>	<u> </u>	<u>(5,954)</u>
Cash, September 30, 1999	<u>\$ 8,894</u>	<u>\$ 16,098</u>	<u>\$ 12,180</u>	<u>\$ 37,172</u>

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

SCHEDULES OF OPERATING EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Amortization	\$ 407	\$ 388
Bad Debt Expense	2,532	-
Chemicals	5,868	7,213
Commissioners Per Diem	5,340	5,760
Contract Services	-	9,048
Depreciation	115,437	101,402
Dues	300	-
Insurance	22,403	14,368
Inspection Fees	1,031	-
Professional Fees	39,967	33,829
Miscellaneous	807	762
Office Expense	2,829	6,930
Payroll Taxes	3,752	2,372
Postage	3,351	4,482
Rent Equipment	-	248
Repairs and Maintenance	59,835	38,705
Supplies	-	239
Telephone	3,050	2,961
Truck	2,558	3,890
Utilities	21,886	21,124
Wages	<u>49,845</u>	<u>30,378</u>
Total	<u>\$ 341,198</u>	<u>\$ 284,099</u>

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN ACCUMULATED DEFICIT (BY DEPARTMENT)
FOR THE YEAR ENDED SEPTEMBER 30, 1999

	<u>Water Department</u>	<u>Sewer Department</u>	<u>Total</u>
Operating Revenues:			
Water sales	113,845	-	113,845
Sewer sales	-	68,339	68,339
Connection and installation fees	2,220	-	4,920
Garbage collection fees	6,836	-	6,836
Miscellaneous	3,986	2,700	3,986
Bad debt recovery	-	-	-
Total Operating Revenues	<u>126,887</u>	<u>71,039</u>	<u>197,926</u>
Operating Expenses:			
Amortization	407	-	407
Bad Debt Expense	1,266	1,266	2,532
Chemicals	2,928	2,940	5,868
Commissioners per diem	2,670	2,670	5,340
Contract services	-	-	-
Depreciation	46,813	68,624	115,437
Dues	150	150	300
Insurance	15,262	7,141	22,403
Inspection Fees	-	1,031	1,031
Professional fees	30,849	9,118	39,967
Miscellaneous	807	-	807
Office expense	816	2,013	2,829
Payroll taxes	2,197	1,555	3,752
Postage	1,676	1,675	3,351
Rent equipment	-	-	-
Repairs & maintenance	32,739	27,096	59,835
Supplies	-	-	-
Telephone	2,714	336	3,050
Truck expense	1,319	1,239	2,558
Utilities	11,131	10,755	21,886
Wages	28,373	21,472	49,845
Total Operating Expense	<u>182,117</u>	<u>159,081</u>	<u>341,198</u>
Operating Income (Loss)	<u>(55,230)</u>	<u>(88,042)</u>	<u>(143,272)</u>
Non-Operating Revenues (Expenses):			
Ad Valorem Property Taxes	60,042	60,043	120,085
Interest income	8,265	1,219	9,484
Grant - St. Mary Parish Council	3,737	3,738	7,475
Grant - U.S. Dept. Of Agriculture	2,118	-	2,118
Loss on sale of asset	-	-	-
Interest expense	(17,432)	-	(17,432)
Total non-operating revenues (expenses)	<u>56,730</u>	<u>65,000</u>	<u>121,730</u>
Net Income (Loss)	1,500	(23,042)	(21,542)
Accumulated Deficit, Beginning of Year	<u>(125,316)</u>	<u>(196,189)</u>	<u>(321,505)</u>
Accumulated Deficit, End of Year	<u>(123,816)</u>	<u>(219,231)</u>	<u>(343,047)</u>

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN ACCUMULATED DEFICIT (BY DEPARTMENT)
FOR THE YEAR ENDED SEPTEMBER 30, 1998

	<u>Water</u> <u>Department</u>	<u>Sewer</u> <u>Department</u>	<u>Total</u>
Operating Revenues:			
Water sales	112,641	-	112,641
Sewer sales	-	54,023	54,023
Connection and installation fees	4,010	-	4,010
Garbage collection fees	9,415	-	9,415
Miscellaneous	22,646	9,953	32,599
Bad debt recovery	2,847	-	2,847
Total Operating Revenues	<u>151,559</u>	<u>63,976</u>	<u>215,535</u>
Operating Expenses:			
Amortization	388	-	388
Chemicals	4,719	2,494	7,213
Commissioners per diem	2,880	2,880	5,760
Contract services	4,262	4,786	9,048
Depreciation	35,081	66,321	101,402
Insurance	8,914	5,454	14,368
Professional fees	25,513	8,316	33,829
Miscellaneous	762	-	762
Office expense	2,520	4,410	6,930
Payroll taxes	1,624	748	2,372
Postage	3,714	768	4,482
Rent equipment	213	35	248
Repairs & maintenance	12,421	26,284	38,705
Supplies	219	20	239
Telephone	2,689	272	2,961
Truck expense	1,886	2,004	3,890
Utilities	10,082	11,042	21,124
Wages	18,408	11,970	30,378
Total Operating Expense	<u>136,295</u>	<u>147,804</u>	<u>284,099</u>
Operating Income (Loss)	<u>15,264</u>	<u>(83,828)</u>	<u>(68,564)</u>
Non-Operating Revenues (Expenses):			
Interest income	2,962	1,739	4,701
Grant - St. Mary Parish Council	17,500	17,500	35,000
Grant - U.S. Dept. Of Agriculture	201,882	-	201,882
Loss on sale of asset	(1,762)	-	(1,762)
Interest expense	(12,075)	-	(12,075)
Total non-operating revenues (expenses)	<u>208,507</u>	<u>19,239</u>	<u>227,746</u>
Net Income (Loss)	223,771	(64,589)	159,182
Accumulated Deficit, Beginning of Year	<u>(349,087)</u>	<u>(131,600)</u>	<u>(480,687)</u>
Accumulated Deficit, End of Year	<u>(125,316)</u>	<u>(196,189)</u>	<u>(321,505)</u>

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

SCHEDULE OF INSURANCE - UNAUDITED
SEPTEMBER 30, 1999

<u>NAME OF INSURER</u>	<u>INSURANCE</u>	<u>AMOUNT OF INSURANCE</u>	<u>EXPIRATION DATE</u>
Travelers Property Casualty	Workmen's Compensation		02/10/01
	Each accident	\$ 100,000	
	Policy limit	\$ 500,000	
	Each employee	\$ 100,000	
General Star Indemnity Company	Public Official Bond	\$ 35,000	01/22/02
Reliance Insurance Company	General Liability		
	Each occurrence	\$1,000,000	01/22/02
	Aggregate	\$2,000,000	
	Auto Liability	\$ 500,000	
Reliance Insurance Company	Property:		
	216 Parish Hwy. 30	\$ 300,975	Building
	216B Parish Hwy. 30	\$ 169,050	Building
	216C Parish Hwy. 30	\$ 16,800	Building
	216D Parish Hwy. 30	\$ 27,615	Lift-Station
	Sewer Treatment-Hwy. 30	\$ 160,000	Building
		\$ 14,000	Contents
		\$ 10,000	Metal Shed
		\$ 182,000	Lift-Stations
		\$ 28,000	Fences
	672 Cypremort Road	\$ 62,500	Plant
		\$ 2,000	Lift-Station

This schedule was not audited by us and, accordingly, we do not express an opinion on it.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

SCHEDULE OF WATER RATES AND
NUMBER OF CUSTOMERS - UNAUDITED
FOR THE YEAR ENDED SEPTEMBER 30, 1999

WATER RATES BY USER GROUP:

<u>METER SIZE</u>	<u>USAGE</u>	<u>CHARGE</u>
Residential 3/4"	0 - 2,000 gallons	\$ 9.00 minimum
	2,001 - 5,000 gallons	2.50 per thousand
	5,001 - 10,000 gallons	1.50 per thousand
	over 10,000 gallons	1.15 per thousand
Large Commercial 1" to 2"	0 - 10,000 gallons	\$ 25.00 minimum
	over 10,000 gallons	1.15 per thousand

NUMBER OF CUSTOMERS:

At September 30, 1999, there were 501 metered water customers of the St. Mary Parish Water and Sewer Commission No. 5, compared to 503 metered customers at September 30, 1998. There were 17 commercial customers and 484 residential customers.

This schedule was not audited by us and, accordingly, we do not express an opinion on it.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANASCHEDULE OF BOARD MEMBERS
AND COMPENSATION RECEIVED
FOR THE YEAR ENDED SEPTEMBER 30, 1999

<u>NAME</u>	<u>POSITION</u>	<u>ATTENDED</u>	<u>COMPENSATION</u>
Raphael Rodriguez	President	12	\$ 720
Wilfred Edwards	Secretary	12	720
Edward Patrick	Board Member	11	660
Rivers Drexler	Board Member	12	720
William Stacy	Board Member	12	720
Peggy Linscomb	Board Member	12	720
Cleveland Provost	Board Member	12	<u>720</u>
TOTAL COMPENSATION			<u>\$ 4,980</u>

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANASCHEDULE OF AGED ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 1999

Current Accounts Receivable	\$16,145
Balances Over 30 Days	6,295
Balances Over 60 Days	721
Balances Over 90 Days	<u>2,024</u>
Total Accounts Receivable	25,185
Less: Allowance for Bad Debts	<u>(4,099)</u>
Net Accounts Receivable	<u>\$21,086</u>

This schedule was not audited by us and, accordingly, we do not express an opinion on it.

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 1999

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
Section I - Internal Control and Compliance Material to the Financial Statements:				
<u>A-1</u>	<u>1990</u>	<u>Inadequate segregation of accounting functions</u>	<u>Partially</u>	<u>See management's corrective action plan (Schedule 10)</u>
<u>A-2</u>	<u>1990</u>	<u>Failure to comply with bond resolution's revenue Test</u>	<u>Partially</u>	<u>See management's corrective action plan (Schedule 10)</u>
<u>A-3</u>	<u>1998</u>	<u>Undersecured bank Deposits</u>	<u>Yes</u>	<u>As soon as this noncompliance was uncovered, the comm. notified the bank & obtained the necessary pledged securities.</u>

Section II - Management Letter:

<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 1999

Ref. No.	Description Of Finding
Section 1 -	Internal Control and Compliance Material to the Financial Statements:
A-1	<p>Inadequate Segregation of Accounting Functions:</p> <p><i>Condition:</i> The commission's accounting system does not provide for adequate segregation of duties in the areas of cash receipts, cash disbursements, billing and account reconciliation.</p> <p><i>Criteria:</i> Internal controls should be in place to provide reasonable assurance that funds are not misappropriated and that the commission is in compliance with rules and regulations.</p> <p><i>Effect:</i> Because of the inadequate segregation of accounting functions, the Commission could be placing themselves at risk. Funds could be misappropriated and laws and grant contracts could be overlooked.</p> <p><i>Recommendation:</i> The commission has made several attempts to segregate some of the accounting functions. However, all pertinent functions have not been segregated. They have hired an independent bookkeeper to reconcile bank accounts, provide billing statements, and to compile monthly financial statements. The commission has also contracted with a local convenient store to collect its revenues and deposit them into the bank account.</p> <p><i>Response:</i> We concur with this recommendation. However, the commission is not able to fully correct this weakness due to the limited number of commission personnel working for the commission and for the outside accounting service.</p>

ST. MARY PARISH WATER AND SEWER COMMISSION NO. 5
STATE OF LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR
CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 1999

A-2

Revenue Test as Required by Bond Resolution

Condition: The bond resolution requires that revenues be provided, after paying all reasonable and necessary expenses of administering, operating, and maintaining the water system at least equal to 120% of the largest amount of principal and interest maturing in any future year.

Criteria: The commission has been unable to meet the revenues test as required by the bond resolution.

Effect: Because of the failure to meet the revenues test, the commission is not in compliance with the bond resolution.

Recommendation: The commission needs to create revenues sufficient to meet the revenues test in the future. This could be done by raising rates or reducing expenditures.

Response: The board agrees with this recommendation. They are currently working with the U.S. Department of Agriculture on this issue. The commission is trying to meet the revenues test without having to raise rates. An ad valorem tax was passed in 1998. The commission received \$120,084 in property tax revenues this past year. Hopefully, this tax can help the commission in meeting the bond revenues test.

REPORT ON COMPLIANCE AND INTERNAL CONTROL

GUIDRY & CHAUVIN
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 1028 - 1013 MAIN STREET
FRANKLIN, LOUISIANA 70538

318 - 828-0272
FAX 318 - 828-0290

Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of
Financial Statements Performed
in Accordance with Government Auditing Standards

Board of Commissioners
St. Mary Parish Water and Sewer Commission No. 5
State of Louisiana
Jeanerette, Louisiana 70544

We have audited the general purpose financial statements of the St. Mary Parish Water and Sewer Commission No. 5, State of Louisiana, (the Commission) as of and for the year ended September 30, 1999, and have issued our report thereon dated March 16, 2000, which was qualified because insufficient audit evidence exists to support the commission's disclosures with respect to the year 2000 issue. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the commission's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in Schedule 10, Management's Corrective Action Plan for Current Year Audit Findings, Section I, as items A-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in Schedule 10, Management's Corrective Action Plan for Current Year Audit Findings, Section I, as item A-1.

St. Mary Parish Water and Sewer Commission No. 5
Report on Internal Control Structure
Page Two

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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above as item A-1 is considered to be a material weakness.

This report is intended for the information of the commission's management, St. Mary Parish Government and regulatory agencies. However, this report is a matter of public record, and its distribution is not limited.

Guidry & Chauvin, CPAs
Certified Public Accountants

Franklin, Louisiana
March 16, 2000

DATA COLLECTION FORM

[This form is an unaudited informational document prepared by management of the audited agency.]

LEGISLATIVE AUDITOR
BATON ROUGE LA 70804

DATA COLLECTION FORM
FOR REPORTING ON AUDITS OF STATE AND LOCAL GOVERNMENT AND QUASIPUBLIC ENTITIES

OMB Form 0348-0057 may be used as a substitute for this form.

Date Submitted ___/___/___

RETURN to: Legislative Auditor
Attn: Engagement Processing
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

1. Fiscal Year Ending Date For This Submission:

9/30/99

3. Audit Period Covered

Annual Biennial
 Other to

2. Type of Report:

Single Audit GAO Audit Standards Audit
 Compilation Compilation/Attestation
 Program Audit Other

4. AUDITEE INFORMATION

Auditee Name ST. MARY PARISH
WATER & SEWER COMM NO 5

Street Address (Number and Street)
129 WEST PERSHING ST

Mailing Address (PO No.)
129 WEST PERSHING ST

City State Zip
NEW IBERIA LA 70560

Auditee Contact
Name Title
RAPHAEL RODRIGUEZ PRES

Telephone Fax
(337)367-3896
Email (Optional)

5. AUDITOR INFORMATION

Firm Name
GUIDRY & CHAUVIN, CPA'S

b. Street Address (Number and Street)
1013 MAIN STREET

Mailing Address (PO No.)
POST OFFICE BOX 1028

City State Zip
FRANKLIN LA 70538

c. Auditor Contact
Name Title
MICHELE L. CHAUVIN, CPA

Telephone Fax
(337)828-0272 (337)828-0290
Email (Optional)

Component Units Included Within the Report and for Which No Separate Report Will Be Issued:

NONE

If there are no modifications to the auditor's financial opinion, no reportable conditions, no material weaknesses, no reported instances of noncompliance, and no management letter, check this box; do not complete the rest of the form.

6. FINANCIAL STATEMENTS

a. Type of audit report on financial statements. Not Applicable
 Unqualified Opinion Qualified Opinion Adverse Opinion Disclaimer of Opinion
b. Is a 'going concern' explanatory paragraph included in the audit report? Yes No
c. Do any of the funds have deficit fund balances? Yes No
d. Is there a related party footnote? Yes No

7. INTERNAL CONTROL

Do the comments on internal control include: material weaknesses reportable conditions not applicable

8. COMPLIANCE

Do the comments on compliance include: illegal acts fraud/criminal acts not applicable

9. MANAGEMENT LETTER (Finding Caption and No.)

NONE

Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable

10. SCHEDULE OF CURRENT YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

A-1 \$ _____ Resolved Yes No No Longer Applicable
A-2 \$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable
\$ _____ Resolved Yes No No Longer Applicable

Do any findings address nepotism, ethics violations or related party transactions? Yes No

Do any findings address violation of bond indenture covenants? Yes No

11. SCHEDULE OF PRIOR YEAR FINDINGS/QUESTIONED COSTS/MANAGEMENT LETTER COMMENTS

(Finding/Comment Caption and No.)

A-1 Resolved Yes No No Longer Applicable
A-2 Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable
Resolved Yes No No Longer Applicable

AUDITEE SIGNATURE

Raphael Rodriguez Date 3-27-00