

that we consider to be a reportable condition. 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 entity's ability to record, process, summarize, and report financial data consistent with assertions of management in the financial statements.

#### Indicative Segregation of Accounting Functions

##### Finding:

Due to the small number of employees the District did not have adequate segregation of functions within the accounting system.

##### Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

##### Response:

No response is considered necessary.

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 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, we believe the reportable condition described above is a material weakness.

This report is intended for the information of the District's management. However, this report is a matter of public record and its distribution is not limited.

*Darnall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Burgas City, Louisiana  
December 17, 1993



**Darnall, Sikes  
& Frederick**

211 Maple Street • Baton Rouge, Louisiana 70801

Form 990 (2004) 12/15/04

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**Independent Auditor's Report on Compliance and an Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards**

Board of Commissioners  
 Wax Lake East Drainage District of the  
 Parish of St. Mary, State of Louisiana  
 Fairview, Louisiana

We have audited the financial statements of the Wax Lake East Drainage District of the Parish of St. Mary, State of Louisiana, a component unit of the St. Mary Parish Council as of and for the year ended September 30, 1997, and have issued our report thereon dated December 17, 1997. We have 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 Wax Lake East Drainage District of the Parish of St. Mary, State of Louisiana's financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Wax Lake East Drainage District of the Parish of St. Mary, State of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation

12/15/04  
 Form 990 (2004) 12/15/04

INTERNAL CONTROL  
AND  
COMPLIANCE REPORTS

NEW LARK CREST SEWERAGE DISTRICT  
OF THE PARISH OF ST. BERN,  
STATE OF LOUISIANA

Notes to Financial Statements (Continued)

(6) Commissions Paid Board Members

For the year ended September 30, 1997, the following individuals served on the Board of Commissioners and received per diem allowances as follows:

Name	Amount
Anthony Sanderson	\$ 700
Larry Gray	700
Lee Feltman	600
Joseph Keller	700
Jeffrey LaBrange	700
Ronald Lantz	600
Leslie Barcliff	700
	\$4,000

(7) Retirement Obligations

The employees are members of the following retirement system:

Retirement System	CONTRIBUTION RATE	
	Employee	District
Social Security System	7.65%	7.65%

The District's contribution to the above plan totaled approximately \$3,055 for the year ended September 30, 1997. This amount was paid to the retirement system which is responsible for administering the plan and disbursing benefits.

(8) Litigation and Claims

There are no pending or threatened litigation involving the District or any unasserted claims which should be disclosed as September 30, 1997.

WAB LAKE EAST BRASSHACK DISTRICT  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Notes to Financial Statements (Continued)

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property within the District's taxing area as of January 1 of each year. Taxes are levied by the District in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The St. Mary Parish Sheriff bills and collects the District's property taxes using the assessed values determined by the Tax Assessor of St. Mary Parish. District property tax revenues are budgeted to the year billed.

For the year ended September 30, 1997, 5.29 mills were authorized and dedicated as follows:

Maintenance and operation	5.29 mills
---------------------------	------------

Total taxes levied were \$180,343. There were no taxes receivable at September 30, 1997.

(4) Due from Other Governmental Units

Amount due from St. Mary Parish Council	\$236
Amount due from City of Ferriss	98
Amount due from Town of Berwick	_ 98
<b>Total</b>	<b>\$714</b>

(5) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance October 1, 1996	Additions	Deletions	Balance September 30, 1997
Drainage property, equipment and improvements	\$123,158	\$ -	\$ -	\$123,158
<b>Total</b>	<b>\$123,158</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$123,158</b>

WAB LAKE EAST DRAINAGE DISTRICT  
OF THE PARISH OF ST. PARY,  
STATE OF LOUISIANA

Notes to Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. As September 30, 1997, the District has made and interest-bearing deposits (bank balances) totaling \$263,085 as follows:

Money	\$ 8,005
Time deposits	255,080
Total	\$263,085

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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at September 30, 1997, are as follows:

Bank balances	\$263,085
---------------	-----------

As September 30, 1997, the deposits are secured as follows:

Federal deposit insurance	\$171,826
Pledged securities (Category 3)	252,822
Total federal insurance and pledged securities	\$427,088
Excess of federal insurance and securities pledged	\$ 60,445

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by the trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1329 imposes a statutory requirement on the custodial bank to advance and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

WAB LAKE EAST BOARDSHARE DISTRICT  
OF THE PARISH OF ST. BERRY,  
STATE OF LOUISIANA

Notes to Financial Statements (Continued)

**G. Interest-bearing Deposits**

Interest-bearing deposits are stated at cost, which approximates market. The interest-bearing deposits are time deposits which are fully secured through the pledge of hard-owned securities or the Federal Deposit Insurance Corporation (FDIC) insurance coverage.

**H. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District as an extension of formal budgetary integration in the funds.

**I. Comparative Data**

Comparative total data for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**J. Total Columns - Memorandum Only**

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**K. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles, requires management to make certain estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements.

WAR LARK EAST DRAINAGE DISTRICT  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Notes to Financial Statements (Continued)

C. Fixed Assets

The fixed assets used in the governmental fund type operations of the District 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 is not involved with measurement of results of operations.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the general purpose financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement form applied.

The various funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All valuation losses are recorded in the year in which the losses are assessed. Interest income on investments is recorded when earned, and substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except when salaries are recognized when paid and accumulated vacation leave is not accrued.

E. Budgetary Practices

Annually, the District adopts a budget for all funds. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. Formal budgetary delegation is employed as a management control device during the year. The budget is prepared on a modified accrual basis. Budget amounts included in the accompanying general purpose financial statements reflect originally adopted budget amounts and all subsequent amendments. All budgetary appropriations lapse at the end of each fiscal year.

F. Vacation and Sick Leave

The District has no existing written policy on vacation and sick leave. These are recognized as expenditures when paid.



WAX LAKE EAST DRAINAGE DISTRICT  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Notes to Financial Statements

1) Summary of Significant Accounting Policies

The Wax Lake East Drainage District of the Parish of St. Mary, State of Louisiana (District), which is a component unit of the St. Mary Parish Council, was created by Ordinance No. 384 of the St. Mary Parish Police Jury on August 11, 1965. The purpose of the District is the draining and reclaiming of the tract(s) of partially drained marsh, swamp, and overflowed lands in the area specified in its creating ordinance.

**A. Financial Reporting Entity**

This report includes all funds and account groups which are controlled by or dependent on the District executive and legislative branches (the Board of Commissioners). Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. The District is an integral part of the Parish of St. Mary.

**B. Fund Accounting**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two general fund types and one broad fund category as follows:

Governmental Fund :

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

WAB LAKE EAST DRAINAGE DISTRICT OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual -

Year Ended September 30, 1999

With Comparative Actual Amounts for Year Ended September 30, 1998

	General Fund			
	Budget	Actual	Variance - Favorable (Unfavorable)	1998 Actual
<b>Revenues:</b>				
Taxes	\$190,340	\$190,340	0 -	\$661,318
Intergovernmental	41,090	61,090	(20,000)	56,317
Miscellaneous	23,800	32,332	(8,532)	19,700
Total revenues	<u>255,230</u>	<u>283,762</u>	<u>(28,532)</u>	<u>737,335</u>
<b>Expenditures:</b>				
Current -				
Advertising	750	130	620	636
Auto and truck allowance	2,700	2,380	320	2,100
Contract labor	1,310	0,300	-	1,750
Electrical	175	122	5	100
Insurance	8,200	8,965	(765)	9,130
Professional fees	2,500	2,450	50	2,405
Maintenance and repairs	51,125	48,488	2,637	58,360
Miscellaneous	68	57	1	56
Natural gas	66,900	63,660	330	58,000
Office supplies	75	180	(105)	152
Payroll tax expense	3,050	3,630	(580)	3,100
Per diem - board	4,900	4,800	-	4,400
Salaries and wages	63,700	63,200	-	58,848
Supplies	8,600	7,391	1,209	2,847
Tax assessor's compensation	4,370	4,370	-	5,666
Telephone	1,300	1,270	30	1,300
Total expenditures	<u>208,432</u>	<u>187,158</u>	<u>21,274</u>	<u>183,380</u>
Excess of revenues over expenditures	76,798	96,604	1,806	91,304
Fund balance, beginning	<u>683,613</u>	<u>683,613</u>	-	<u>395,121</u>
Fund balance, ending	<u>\$760,411</u>	<u>\$780,217</u>	<u>\$ 19,806</u>	<u>\$690,442</u>

The accompanying notes are an integral part of this statement.

WOL LAKE EAST BRASSAGE DISTRICT OF THE PARISH OF ST. BERRY,  
STATE OF LOUISIANA

Combined Balance Sheet - Governmental Fund Type and Account Group  
September 30, 1993

	Governmental Fund Type General Fund	Account Group Fixed Assets	Totals	
			1993	1992
<b>ASSETS</b>				
Cash	\$ 9,875	\$ -	\$ 9,875	\$ 3,685
Interest-bearing deposits	554,808	-	554,808	589,892
Receivables -				
Accrued interest	2,496	-	2,496	2,387
Other	200	-	200	-
Due from other governmental units	714	-	714	859
Brassage property, equipment and improvements	-	323,158	323,158	323,158
<b>Total assets</b>	<b>\$566,293</b>	<b>\$323,158</b>	<b>\$889,453</b>	<b>\$945,131</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 4,117	\$ -	\$ 4,117	\$ 5,160
Accrued liabilities	284	-	284	188
Total liabilities	<u>4,401</u>	<u>-</u>	<u>4,401</u>	<u>5,348</u>
<b>Fund equity:</b>				
Invested in general fixed assets	-	323,158	323,158	323,158
Fund balance -				
Unassigned	561,892	-	561,892	485,415
Total fund equity	<u>561,892</u>	<u>323,158</u>	<u>885,050</u>	<u>808,573</u>
<b>Total liabilities and fund equity</b>	<b>\$568,293</b>	<b>\$323,158</b>	<b>\$889,453</b>	<b>\$945,131</b>

The accompanying notes are an integral part of this statement.

**GENERAL PURPOSE  
FINANCIAL STATEMENTS**

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an opinion on the general purpose financial statements of the New Lake East Drainage District of the Parish of St. Mary, State of Louisiana.

*Dunnell, Silas & Frederick*

A Corporation of Certified Public Accountants

Bogart City, Louisiana  
December 13, 1997



**Darnall, Sikes  
& Frederick**

ONE SQUARE OF COMMERCE CENTER

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**Independent Auditor's Report**

**Board of Commissioners**  
**Man Lake East Drainage District of the**  
**Parish of St. Mary, State of Louisiana**  
**Farrason, Louisiana**

REPORT OF  
THE BOARD OF COMMISSIONERS  
OF THE  
MAN LAKE EAST DRAINAGE DISTRICT  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA  
FOR THE YEAR ENDED  
SEPTEMBER 30, 1997

10/1/97

We have audited the accompanying general purpose financial statements of the Man Lake East Drainage District of the Parish of St. Mary, State of Louisiana, a component unit of the St. Mary Parish Council as of and for the year ended September 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's officials. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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. These 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.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Man Lake East Drainage District of the Parish of St. Mary, State of Louisiana, as of September 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 17, 1997, on our consideration of the District's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

REPORT OF  
THE BOARD OF COMMISSIONERS  
OF THE  
MAN LAKE EAST DRAINAGE DISTRICT  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA  
FOR THE YEAR ENDED  
SEPTEMBER 30, 1997

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**WAX LAKE EAST DRAINAGE DISTRICT  
OF THE PARISH OF ST. MARY,  
STATE OF LOUISIANA**

**FINANCIAL STATEMENTS**

Year Ended September 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 MAY 5 4 1998