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**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

of the law, this report is not to be used for any other purpose. A copy of this report is being furnished to the Director of the State Board of Control, the State Auditor, and the State Comptroller. The report is available for public inspection at the State Board of Control, the State Auditor, and the State Comptroller, or at the office of the parish clerk of court.

To the Board of Commissioners,
Consolidated Waterworks District No. 1 of
the Parish of Terrebonne,
State of Louisiana,
Houma, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Consolidated Waterworks District No. 1 (the District) and the Board of Commissioners, solely in connection with your request for an independent accountant's report on the cash and securities of the District for the period July 1, 1998 to December 31, 1998. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We traced beginning cash balances in the general ledger to our workpapers of the last engagement (June 30, 1998) and found them to be in agreement.
2. We selected a sample of 20 checks from the Water System Fund for the period July 1, 1998 to December 31, 1998 and compared cancelled checks to supporting documents and found no deviations from attributes tested.
3. We compared cancelled checks and deposits for the period July 1, 1998 to December 31, 1998 for the Bond Reserve Account, Depreciation and Contingencies Account, Supplies Fund Account, the Revenue Bond Sinking Fund Account, the Unrestricted Construction Fund Account and the 1998 Construction Fund Account to the bank statements and to supporting documents and found no exceptions.
4. We scanned client-prepared bank reconciliations for the period July 1, 1998 to December 31, 1998 for correctness and found no exceptions.

5. We tested the cash account in the general ledger for the Surplus Fund for the period July 1, 1998 to December 31, 1998 and found it to be correct.
6. We tested the cash receipts' and cash disbursements' registers for August 1998 for the Water System Fund and found the registers to be correct.
7. We traced the cash receipts and cash disbursements to the general ledger for August 1998 for the Water System Fund and found the records to be in agreement.
8. We performed the following teller cash receipts procedures for receipts of July 31, 1998, August 19, 1998, September 14, 1998, October 6, 1998, November 4, 1998 and December 22, 1998:
 1. Tested teller 10's recap for September 14, 1998
 2. Traced teller transaction recap to daily cash recap then traced to recap by service
 3. Traced to cash receipts' registers and daily cash reports
 4. Tested the daily cash reports.
 - We found no exceptions in the above testing.
9. We reconciled all bank accounts for December 1998 and agreed the reconciled balances to the general ledger.
10. We examined cancelled checks for December 31, 1998 for the Payroll Account, Motor Deposit Account, Water System Fund Account, Group Medical Insurance Account, and Health Benefit Account and found no exceptions.
11. We compared cancelled checks not clearing the December 1998 bank statements to the January 1999 bank statements and found no exceptions.
12. We counted cash in the registers and reconciled it to year daily work as of the close of business on July 8, 1998.
13. We counted petty cash as of July 10, 1998 and agreed it to the general ledger.
14. We acquired copies of securities, calculated activity for the period July 1, 1998 to December 31, 1998, compared activity to bank statements and agreed the information to the general ledger and found no exceptions.
15. We reviewed sales trend analysis and concluded it was consistent with prior periods.

16. Reviewed the 1999 budget and concluded there were no significant variances from actual results.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users and is not intended to be and should not be used by anyone other than these specified parties.

Bourgeois Bennett, LLC

Certified Public Accountants

Monroe, La.,
February 10, 1999.

Agreed upon by us:

Under provisions of state law, this report is a public document. A copy of the report will be distributed to the members, directors, entity and other appropriate public officials. You should inquire with the public registration at the Baton Rouge office of the Louisiana State Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date _____