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

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

In form of state law, this report is a public document. A copy of the report has been distributed 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: **SEP 2 1998**

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 to assist you with respect to the cash and securities of the District for the period January 1, 1998 to June 30, 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 (December 31, 1997) and found them to be in agreement.
2. We selected a sample of 25 checks from the Water System Fund for the period January 1, 1998 to June 30, 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 ended January 1, 1998 to June 30, 1998 for the Bond Reserve Account, Depreciation and Contingencies Account, Surplus 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 ended January 1, 1998 to June 30, 1998 for correctness and found no exceptions.

5. We tested the cash account in the general ledger for the Group Medical Insurance Fund for the period January 1, 1998 to June 30, 1998 and found it to be correct.
6. We tested the cash receipts' and cash disbursements' registers for April 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 April 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 January 5, 1998, February 17, 1998, March 19, 1998, April 17, 1998, May 14, 1998 and June 7, 1998:
 - a) Tested teller 7's recap for January 5, 1998
 - b) Traced teller transaction recap to daily cash recap then traced to recap by service
 - c) Traced to cash receipts' register and daily cash reports
 - d) Tested the daily cash reports.
- We found no exceptions in the above testing.
9. We reconciled all bank accounts for June 1998 and agreed the reconciled balances to the general ledger.
10. We examined cancelled checks for June 30, 1998 for the Payroll Account, Meter 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 June 1998's bank statement to the July 1998's 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 January 9, 1998.
13. We counted petty cash as of January 9, 1998 and agreed it to the general ledger.
14. We acquired copies of securities, scheduled activity for the period ended January 1, 1998 to June 30, 1998, compared activity to bank statements and agreed the information to the general ledger and found no exceptions.
15. Performed trend analysis.
16. We reviewed the 1999 budget and 1998 budget amendments.

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 use of the District, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Bouyere Bennett, LLC

Certified Public Accountants

Houma, La.,
August 7, 1998.

Undersigned

Under provisions of state law, this report is a public document. A copy of this report has been furnished to the audited, or reviewed, entity and other persons who are public officials. This report is available for public inspection at the Baton Rouge office of the Louisiana Auditor General, or at the office of the clerk of court.

Witness Date.....