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**RAYON MARIONNE LAKE
WATERSHED DISTRICT
Harris, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1988**

With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the recipient, as requested, and other appropriate public officials. This report is available for public inspection at the District Board Office of the Legislative Auditor, when appropriate, at the office of the parish clerk of court.

Release Date APR 26 1988

**RAYOU D'ARBOINNE LAKE
WATERSHED DISTRICT
Baton, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended December 31, 1998
With Supplemental Information Schedules**

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RAYOU D'ARBOISSE LAKE
WATERSHED DISTRICT
Baton, Louisiana
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24

M. Carlson Dumas
CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

**BOARD OF COMMISSIONERS
RAYON D'ARBONNE LAKE
WATERSHED DISTRICT
Rayon, Louisiana**

I have audited the accompanying general purpose financial statements of Rayon D'Arbonne Lake Watershed District, a component unit of the State of Louisiana, as of December 31, 1998, and for each of the years in the two year period then ended, as listed in the 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 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 in the first paragraph present fairly, in all material respects, the financial position of Rayon D'Arbonne Lake Watershed District, as of December 31, 1998, and the results of operations for each of the years in the two year period then ended, in conformity with generally accepted accounting principles.

BOARD OF COMMISSIONERS
BAYOU D'ARBORE LAKE
WATERSHED DISTRICT
Baton, Louisiana
Independent Auditor's Report,
December 31, 1998

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Summary Schedule of Prior Audit Findings and the Corrective Action Plan for Current Year Audit Findings 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 Bayou D'Arbonne Lake Watershed District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The Year 2000 Issue Disclosures on page 20 are not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

As discussed in Note 6 to the financial statements, Bayou D'Arbonne Lake Watershed District was involved in five lawsuits at December 31, 1998. The possible outcome of these matters is uncertain at this time. Accordingly, no provision for any liability has been made in the accompanying general purpose financial statements.

In accordance with Government Auditing Standards, I have also issued my report dated April 16, 1999 on my consideration of Bayou D'Arbonne Lake Watershed District's internal control over financial reporting, and my tests of the district's compliance with laws, regulations, contracts, and grants.



Robert J. Jones
Caldwell, Louisiana
April 16, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(CONDENSED)**

**BOYD D'ARBORE LAKE
WATERSHED DISTRICT
Baton Rouge, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS**

Continued Balance Sheet, December 31, 1998

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP- GENERAL FUND ASSETS	TOTAL MEMORANDUM ONLY
ASSETS			
Cash and cash equivalents	\$168,177		\$168,177
Accounts receivable - franchise fees	4,284		4,284
Land		\$14,970	14,970
Equipment		2,128	2,128
TOTAL ASSETS	<u>\$172,461</u>	<u>\$17,098</u>	<u>\$189,559</u>
LIABILITIES AND FUND EQUITY			
Liabilities - accounts payable	\$1,344	NONE	1,344
Fund Equity:			
Investment in general fixed assets		\$17,098	17,098
Fund balance - unreserved - undesignated	171,097		171,097
Total Fund Equity	<u>171,097</u>	<u>17,098</u>	<u>188,195</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$172,461</u>	<u>\$17,098</u>	<u>\$189,559</u>

The accompanying notes are an integral part of this statement.

**BAYOC D'ARBORE LAKE
WATERBESH DISTRICT**
Barre, Louisiana
GOVERNMENTAL FUND TYPE

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

	----- GOVERNAL FUND -----		----- FUND -----		FLEXIBILITY STATEMENT	
	BUDGET	ACTUAL	BUDGET	ACTUAL	SPECIAL SERVICES	GENERAL FUND
REVENUES						
Franchise taxes						
Intra-governmental:						
State funds	4,700	4,700				
Local funds	4,400	6,168	(7,500)			
Use of money and property - interest	28,300	28,300	327			
Total revenues	\$30,000	\$30,662	\$462		\$17,717	\$17,917
EXPENDITURES						
Public works - normal						
Operating services	10,325	7,547	2,768			
Materials and supplies	1,280	792	488			
Other expenditures	57,981	19,526	38,455		17,717	(17,717)
Intra-governmental		5,565	(6,560)			
Total expenditures	69,426	37,320	32,108		30,000	(17,917)

(Continued)

The accompanying notes are an integral part of this statement.

BAYOU D'ARBOISSE LAKE
 WATERBODIED DISTRICT
 Barataria, Louisiana
 GOVERNMENTAL FUND TYPE
 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 1988

	CENTRAL FUND		SPECIAL REVENUE FUNDS		TOTAL	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(246,270)	\$0,000	\$02,400	\$000	\$000	\$000
FUND BALANCE AT BEGINNING OF YEAR	40,276	178,000	131,654	\$000	\$000	\$000
FUND BALANCE AT END OF YEAR	\$000	\$178,000	\$134,054	\$000	\$000	\$000

(Continued)

The accompanying notes are an integral part of this statement.

RAYCUT WARDENS LAKE
WATERSHED DISTRICT
Barona, Louisiana
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 1997

	GENERAL FUND		VARIANCE FAVORABLE (UNFAVORABLE)	FUND		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL		BUDGET	ACTUAL	
REVENUES						
Franchise fees	\$50,000	\$26,173	\$173			
Intergovernmental				\$274,716	\$183,311	(\$91,405)
State funds	3,700	3,700				
Local funds	6,700	4,501	(1,999)			
Use of money and property - interest	1,000	1,625	625			
Other revenues	30,400	30,998	598	274,716	183,311	(\$91,405)
Total revenues						
EXPENDITURES						
Public works - current	14,313	9,317	4,996			
Operating services	1,200	1,216	(16)			
Materials and supplies	11,200	6,490	4,710	274,716	183,311	91,405
Other expenditures	10,000		10,000			
Intergovernmental						
Total expenditures	36,713	17,023	19,690	274,716	183,311	91,405

(Continued)

The accompanying notes are an integral part of this statement.

BAYOU D'ARBORENE LAKE
 WATERSHED DISTRICT
 Rules, Levees and
 GOVERNMENTAL FUND TYPE
 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 1997

	CENTRAL FUND		FUND		LIABILITY FUND	
	BALANCE		BALANCE		PROCEEDS	
	PERMIT	ACTUAL	ACTUAL	BUDGET	ACTUAL	ASSIGNABLE
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(56,152)	\$13,973	\$10,290	NOISE	NOISE	NOISE
FUND BALANCE AT BEGINNING OF YEAR, Restated	24,001	344,963	138,064	NOISE	NOISE	NOISE
FUND BALANCE AT END OF YEAR	\$20,486	\$178,940	\$148,354	NOISE	NOISE	NOISE

(Continued)

The accompanying notes are an integral part of this statement.

**BAYOU D'ARBORENE LAKE
WATERSHED DISTRICT
Baton, Louisiana**

*Notes to the Financial Statements
As of and for the Two Years Ended December 31, 1988*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bayou D'Arbonne Lake Watershed District was created under the provisions of Louisiana Revised Statutes 48:2551 in 1956. The district is a political subdivision and budgetary unit of the State of Louisiana which has as its purpose the conservation of soil and water and developing the natural resources and wealth of the district for sanitary, agricultural, and recreational purposes.

The district is governed by a board of seven commissioners who reside in Lincoln or Union parishes and are appointed by the governor. The members of the board of commissioners serve without benefit of compensation for four year terms.

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of Bayou D'Arbonne Lake Watershed District 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 established governmental accounting and financial reporting principles.

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Bayou D'Arbonne Lake Watershed District is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members and public service is rendered within the state's boundaries. The accompanying general purpose financial statements present information only as to the transactions of Bayou D'Arbonne Lake Watershed District, a component unit of the State of Louisiana. Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements.

C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for the district's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general fixed assets. Governmental funds include:

General Fund

The General Fund is the general operating fund of the district. It accounts for all financial resources, except those required to be accounted for in another fund.

Feasibility Study Special Revenue Fund

The Feasibility Study special revenue fund is used to account for grant funds from the State of Louisiana Department of Transportation and Development (DOTD). These funds are limited to planning and construction costs incurred under the cooperative agreement between Bayou D'Arbonne Lake Watershed and DOTD.

**BAYOU D'ARBORENE LAKE
WATERSHED DISTRICT
Baton Rouge, Louisiana**

Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. The district uses the following practices in recognizing and reporting revenues and expenditures of the governmental funds:

Revenues

Franchise taxes and intergovernmental revenues are recorded when the district is entitled to the funds.

Interest income on bank deposits, is recorded when the interest has been earned and the amount is determinable.

Substantially all other revenues are recorded when they become available to the district.

Based on the above criteria, franchise taxes and intergovernmental revenues are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET PRACTICES

As a budgetary unit of the State of Louisiana, Bayou D'Arboisne Lake Watershed District is exempt from the requirements of the Louisiana Local Government Budget Act. However, the district did adopt an annual operating budget for 1988 and 1989 for the General Fund and a 1989 operating budget for the Feasibility Study Special Revenue Fund.

DAYTON ARBORETIUM LAKE

WATERSHED DISTRICT

Hamilton, Louisiana

Notes to the Financial Statements (Continued)

The proposed budgets, prepared on the modified accrual basis of accounting, are formally adopted by the board of commissioners during the first board meeting of each year. The budgets are established and controlled by the board of commissioners at the object level of expenditures. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts. There were no budget amendments during the two years ended December 31, 1998.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with banks 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.

G. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. All fixed assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Approximately 13 per cent of general fixed assets are valued at actual cost while the remaining 87 per cent are based on estimated cost based on the actual costs of like items. The district has elected not to capitalize public domain (infrastructure) fixed assets including the district's cost of flood-alert equipment, channel markings, boat launch ramps, and other improvements. No depreciation has been provided on general fixed assets.

**II. TOTAL COLUMNS ON THE
COMBINED STATEMENT**

The total columns on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH AND CASH EQUIVALENTS

At December 31, 1998, the district has cash and cash equivalents (bank balances) totaling \$168,177, as follows:

Demand deposits	\$10,485
Interest bearing demand deposits	2,811
Time deposits	<u>154,881</u>
Total	<u>\$168,177</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. 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. Cash and cash equivalents (bank balances) at December 31, 1998, are secured as follows:

Bank balances	<u>\$172,322</u>
Federal deposit insurance	\$18,341
Pledged securities (uncollateralized)	<u>50,856</u>
Total	<u>\$189,177</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GAISE Statement 3, Louisiana Revised Statute 39:1219 imposes a statutory requirement on

**BAYOU D'ARBOISSE LAKE
WATERSHED DISTRICT
Bossier, Louisiana**

Notes to the Financial Statements (Continued)

the collateral bank to subscribe and sell the pledged securities within 30 days of being notified by the district that the fiscal agent bank has failed to pay deposited funds upon demand.

3. CHANGES IN GENERAL FIXED ASSETS

There were no changes in general fixed assets for the two years ended December 31, 1998.

4. FEASIBILITY STUDY PAYMENTS

During the year ended December 31, 1995, Bayou D'Arboisse Lake Watershed District entered into a cooperative endeavor agreement with the State of Louisiana, Department of Transportation and Development for planning and construction for the Lake D'Arboisse Spillway. In connection with this agreement, the state appropriated \$330,000 to the project. In January 1998, the state appropriated an additional \$100,000 for the project. During the year ended December 31, 1998, Bayou D'Arboisse Lake Watershed District entered into a contract with Dameron Engineering Company to provide engineering studies and surveys for the project at a total cost of \$325,411. Total engineering expenditures incurred under this contract during the two years ended December 31, 1998 and 1997, were, \$17,117 and \$183,291, respectively.

5. RESTATED FUND BALANCE

The Improvement Special Revenue Fund had a deficit in unreserved fund balance at December 31, 1996 in the amount of \$7. The deficit resulted from a bank error. The deficit was eliminated by closing out the fund's bank account. The beginning fund balance of the special revenue fund as reported on Statement C has been restated to reflect the correction of the bank error.

6. LITIGATION AND CLAIMS

The district is involved in five lawsuits at December 31, 1998. The district's legal advisors are unable to estimate the ultimate resolution of these matters; therefore, no provision for any liability resulting from these lawsuits has been made in the accompanying financial statements.

**RAYON D'ARBORESCE LAKE
WATERSHED DISTRICT**
Baton Rouge, Louisiana
Notes to the Financial Statements (Continued)

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to risks, theft of assets, errors and omissions, and natural disasters. The district maintains commercial insurance coverage to reduce the risk of loss. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

SUPPLEMENTAL INFORMATION

**BAYOU D'ARBORE LANE
WATERSHED DISTRICT
Baton, Louisiana**

**SUPPLEMENTAL INFORMATION
As of and for the Two Years Ended December 31, 1988**

YEAR 2000 ISSUE DISCLOSURES (Unaudited)

The Year 2000 Issue Disclosures are required by Governmental Accounting Standards Board (GASB) Technical Bulletin 99-1, *Disclosures about Year 2000 Issues - an amendment of Technical Bulletin 85-1*.

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 1).

CURRENT AUDIT FINDINGS

The corrective action plan for current year audit findings is presented in Schedule 2.

RAYMOND D'ARMOUHE LAKE
WATERSHED DISTRICT
Baton, Louisiana

Year 2000 Issue Disclosures (Unaudited)
As of December 31, 1998

The Year 2000 issue is the result of shortcomings in many electronic data-processing systems and other equipment that may adversely affect the district's operations in the year 1999 and beyond. The district's accounting records are maintained by an outside bookkeeper. As of December 31, 1998, the bookkeeper has conducted a review of his computer systems and believes that the systems are Year 2000 compliant. However, there is no assurance that the systems of other governmental agencies or companies on which the district relies will be timely converted or that any such failure in concert by a governmental agency or other company would not have an adverse effect on the district's operations.

BOUYE D'ARBOONNE LAKE
WATERSHED DISTRICT
Baton, Louisiana

Summary Schedule of Prior Audit Findings
For the Two Years Ended December 31, 1998

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken
Internal Control	12/31/96	Disbursements not adequately supported.	Yes

BAYOU D'ARBORE LAKE
WATERSHED DISTRICT
Baton, Louisiana

Corrective Action Plan
For Current Year Audit Findings
For the Two Years Ended December 31, 1998.

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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There were no audit findings for the two years ended December 31, 1998.

**Independent Auditor's Report
Required by Government Auditing Standards**

The following independent auditor's report on compliance and internal control over financial reporting are presented in compliance with the requirements of Government Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Corlean Dumas
CERTIFIED PUBLIC ACCOUNTANT

305 DUNDASON ROAD • CALIBOU, LOUISIANA 71225 • TELEPHONE 518/951-5720

**Independent Auditor's 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
BAYOU D'ARBORE LAKE
WATERSHED DISTRICT
Bossier, Louisiana**

I have audited the general purpose financial statements of Bayou D'Arbonne Lake Watershed District, a component unit of the State of Louisiana, as of December 31, 1988, and for each of the years in the two year period then ended, and have issued my report thereon dated April 16, 1989. I conducted my audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

As part of obtaining reasonable assurance about whether Bayou D'Arbonne Lake Watershed District's general purpose financial statements are free of material misstatement, I performed tests of the district's 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*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Bayou D'Arbonne Lake Watershed 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

BOARD OF COMMISSIONERS
BAYOU D'ARBOISNE LAKE
WATERSHED DISTRICT
Baton, Louisiana

Independent Auditor's Report
on Compliance and on
Internal Control, etc.,
December 31, 1998

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. 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 of Bayou D'Arboisne Lake Watershed District, and other interested state and federal agencies and should not be used for any other purpose. However, this report is a matter of public record and its distribution is not limited.



Carter Thomas
Cattiana, Louisiana
April 16, 1999