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BERNARD PARISH MATTHEW DISTRICT NO. 2  
BERNARD PARISH POLICE JURY  
BERNARD, LOUISIANA

Component Unit Financial Statements  
As of and for the Year Ended December 31, 1956

Under provisions of state law, this report is a public document. A copy of this report and a copy of the report to the public, or members of the public, shall be made available to the public. The report shall be made available to the public in the form of the State Budget and shall be made available to the public in the form of the State Budget and shall be made available to the public in the form of the State Budget.

Balance Date JUN 25 1957

John A. Windham, CPA

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# John A. Windham, CPA

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John A. Windham, CPA

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Bossiergard Parish Waterworks  
District No. 2  
Singer, Louisiana

I have audited the accompanying general purpose financial statements of Bossiergard Parish Waterworks District No. 2, a component unit of the Bossiergard Parish Police Jury, DeBossier, La., as of and for the year ended December 31, 1998, as listed in the Table of contents. These general purpose financial statements are the responsibility of Bossiergard Parish Waterworks District No. 2 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 general purpose 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 above present fairly, in all material respects, the financial position of Bossiergard Parish Waterworks District No. 2, as of December 31, 1998 and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Board of Commissioners  
Beauregard Parish Waterworks  
District No. 3  
Minger, Louisiana

In accordance with GOVERNMENT AUDITING STANDARDS, I have also issued a report dated June 10, 1997 on my consideration of Beauregard Parish Waterworks District No. 3's internal control structure and a report dated June 10, 1997 on its compliance with laws and regulations.



Jack H. Windham  
Bossier, Louisiana  
June 10, 1997

## Statement A

WELLSFARGO PARISH MATHEMATICS DISTRICT NO. 2  
 WELLSFARGO PARISH POLICE JURY  
 DENHAM, LOUISIANA  
 PROPRIETARY FUND - ENTERPRISE FUND  
 (All Fund Types and Account Groups)

BALANCE SHEET  
 December 31, 1986

## ASSETS

## Current assets:

Cash	\$ 250,928
Investments	187,236
Receivables:	
Taxes	221,533
Accounts	23,207
Accrued interest receivable	6,955
Prepaid expense	7,218
Total Current Assets	<u>\$ 744,667</u>

## Restricted assets - cash:

Revenue bond and interest sinking fund	\$ 38,154
Bond reserve	57,528
Depreciation and contingency	15,000
Total Restricted Assets	<u>\$ 110,682</u>

Property, plant and equipment - net \$ 2,928,877

Bond issuance cost - net \$ 27,880

Total Assets \$ 3,713,517

(Continued)

The accompanying notes are an integral part of this statement.

## Statement A

BRANCOGENT PARTIAL WITHDRAWN SERVICE NO. 3  
 BRANCOGENT POLICE POLICE JURY  
 BRIDGES, LOUISIANA  
 PROPRIETARY FUND - ENTERPRISE FUND  
 (All Fund Types and Account Groups)

BALANCE SHEET  
 December 31, 1996

LIABILITIES AND FUND EQUITY

## Liabilities:

Current liabilities (payable from current assets):	
Accounts payable	\$ 12,746
Sales tax payable	852
Salaries payable	1,350
Payroll taxes payable	379
Accrued general obligation bond interest	15,463
Current portion of general obligation bonds	<u>30,860</u>
Total Current Liabilities - (payable from current assets)	\$ 60,780
Current liabilities (payable from restricted assets):	
Accrued revenue bond interest	\$ 7,882
Current portion of revenue bonds	<u>25,381</u>
Total Current liabilities - (payable from restricted assets)	\$ 33,263
Long-term debt	
Revenue bonds (net of current portion)	\$1,807,561
General obligation bonds (net of current portion)	<u>585,088</u>
Total long-term liabilities	<u>\$2,432,131</u>
Total Liabilities	\$2,545,334

## Fund Equity:

Contributed capital	
Grant - FEMA	\$ 484,000
Customers	<u>30,758</u>
Total Contributed Capital	\$ 514,758
Retained earnings	
Reserved for revenue bond retirement	\$ 78,388
Unreserved	<u>643,038</u>
Total Retained Earnings	\$ 721,426
Total Fund Equity	<u>\$1,236,184</u>
Total Liabilities and Fund Equity	\$2,711,512
	(Declassified)

The accompanying notes are an integral part of this statement.

HOVENKAMP PARISH WATERWORKS DISTRICT NO. 2  
 HOVENKAMP PARISH POLICE JURY  
 DENHAM, LOUISIANA  
 PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF REVENUE AND EXPENSES AND  
 CHANGES IN RETAINED EARNINGS  
 For the Year ended December 31, 1996

Operating Revenues:	
Water sales	\$ <u>238,952</u>
Operating Expenses:	
Repairs and maintenance	\$ 29,718
Advertising	68
Depreciation	111,078
Amortization	931
Utilities and telephone	38,436
Salaries and payroll taxes	61,909
Insurance	14,329
Rent and lease	1,500
Postage	4,655
Office supplies	1,468
Legal and audit	2,799
Commissioner fees	2,345
Licenses and permits	393
Training	260
Gas and oil	6,786
Small tools and supplies	2,818
Travel and conferences	484
Miscellaneous	365
Total Operating Expenses	\$ <u>271,898</u>
Operating Loss	\$ <u>(11,846)</u>
Non-Operating Revenues (expenses):	
Interest income	\$ 17,463
Ad valorem taxes	227,245
Interest expense	(179,281)
Tax Collection Expense	(17,528)
Total Non-Operating Revenues (expenses)	\$ <u>58,200</u>
Net Income	\$ 57,843
Retained Earnings	
Beginning of Year	<u>822,266</u>
Retained Earnings	
End of Year	\$ <u>213,423</u>

The accompanying notes are an integral part of this statement.

## Statement C

BEAUREGARD PARISH MATERNOSITY DISTRICT NO. 2  
 BEAUREGARD PARISH POLICE JURY  
 BEAUREGARD, LOUISIANA  
 PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF CASH FLOWS  
 For the Year Ended December 31, 1996

Cash flows from operating activities:	
Cash received from customers	\$ 228,622
Cash payments for goods and services	(87,362)
Cash payments for personal services	(88,298)
Net cash provided by operating activities	\$ 53,062
Cash flows from capital and related financing activities:	
Interest paid on long-term debt	\$ (199,171)
Equipment purchased	(48,858)
Equipment retired	38,280
Principal paid long-term debt	(41,565)
Tax receipts	227,265
Tax collection expense	(5,832)
Net cash used for capital and related financing activities	\$ (139,921)
Cash flows from investing activities:	
Interest received	\$ 11,262
Net increase in cash	\$ 24,403
Cash - beginning of year	\$ 528,689
Cash - end of year	\$ 553,092
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (1,946)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	111,079
Amortization	911
Change in assets and liabilities:	
Increase in receivables	(52,321)
Decrease in prepaid expenses	75
Increase in accounts payable	3,349
Net cash provided by operating activities	\$ 60,882

The accompanying notes are an integral part of this statement.



BOSSIERGARD PARISH WATERWORKS DISTRICT NO. 2  
BOSSIERGARD PARISH POLICE JURY  
BOSSIERGARD, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 1998

**INTRODUCTION**

The Bossiergard Parish Waterworks District #2 was created by the Bossiergard Parish Police Jury under Louisiana Revised Statute 11:3611. The purpose of the water district is to provide water service to rural residents of the district. The governing body is composed of five board members appointed by the Bossiergard Parish Police Jury.

The district is located in central Bossiergard Parish in the southeastern region of the State of Louisiana. The district provides rural water service to approximately 1,300 residents and employs approximately three employees.

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF REPRESENTATION**

The accompanying general purpose financial statements of the Bossiergard Parish Waterworks District No. 2 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**

As the governing authority of the parish, for reporting purposes, the Bossiergard Parish Police Jury is the financial reporting entity for Bossiergard Parish. The financial reporting entity consist of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Bossiergard Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the

BEAUREGARD PARISH WATERWORKS DISTRICT NO. 2  
BEAUREGARD PARISH POLICE JURY  
DENIDORE, LOUISIANA  
Notes to the Financial Statements

reporting entity is financial accountability. The GASE has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the district's governing body, and the police jury has the ability to impose its will on the district, the district was determined to be a component unit of the Beaurgard Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

#### C. FUND ACCOUNTING

The Beaurgard Parish Waterworks District No. 2 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.

BERNARDINO PARISH WATERWORKS DISTRICT NO. 2  
BERNARDINO PARISH POLICE JURY  
DENHAM, LOUISIANA  
Notes to the Financial Statements

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 recognized at the time liabilities are incurred. The Enterprise Fund uses the following practices in recording certain revenues and expenses:

REVENUES

TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the district in September and are actually billed to the taxpayer in November. Billed taxes become delinquent on January 1 of the following year.

For the year ended December 31, 1996 taxes of 22.00 mills were levied on property with assessed valuation totaling \$10,439,153 with 11.00 mills dedicated for debt retirement and 11.00 mills for operating and maintenance of the district.

Total taxes levied for the year ended December 31, 1996 were \$229,461, of which \$9,129 was collected resulting in a tax receivable balance of \$221,532 at December 31, 1996.

FEES

Fees for water provided to customers are based on consumption and are billed monthly. Amounts billed but not collected are reflected in accounts receivable.

EXPENSES

Expenses are recorded at the date services or products are received. Unpaid amounts are recorded in accounts payable.

BRANDFORD PARISH WATERWORKS DISTRICT NO. 2  
BRANDFORD PARISH POLICE JURY  
BRANDFORD, LOUISIANA  
Notes to the Financial Statements

E. CASH AND CASH EQUIVALENTS  
AND INVESTMENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district 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 district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

F. PREPAID ITEMS

The district includes in current assets the unexpired portion of expenses paid in the current year but not expiring until a date following the end of the current accounting year.

G. RESTRICTED ASSETS

Certain proceeds of the Enterprise Fund 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 restricted assets are accounted for based upon the following requirements:

- (1) Deposits equal to 1/12 of the total amount of the revenue bonds principal and interest, dated April 6, 1989 and November 18, 1990, falling due in the issuing year is deposited into separate "Water Revenue Bond and Interest Sinking Funds".
- (2) A deposit equal to 5% of the monthly payment on the revenue bonds dated April 6, 1989 is deposited into a "Bond Reserve Fund" monthly until there is accumulated therein an amount equal to the highest annual debt service payable in any future year.

MONTECASSINO WATERWORKS DISTRICT NO. 3  
DEPARTMENTAL WATER POLICE JURY  
DEVIDEN, LOUISIANA  
Notes to the Financial Statements

A deposit in the amount of \$515 per month on the revenue bonds dated November 18, 1991 is deposited into a "Bond Reserve Fund" until \$120,480 has been accumulated therein.

- (3) A deposit of \$609 on the revenue bonds dated November 18, 1991 is to be made into a "Depreciation and Contingency" fund to cover depreciation, extensions, additions, improvements and replacement necessary to operate the system properly. Money in the "Depreciation and Contingency" fund may also be used to pay the principal and the interest of any bonds authorized for the payment of which there is not sufficient money in the "Bond Reserve" Fund.

A deposit equal to 5% of the amount to be paid into the sinking fund of the revenue bonds dated April 8, 1988, to be deposited into a "Depreciation and Contingency Fund" monthly and to continue for the life of the bond.

#### E. FIXED ASSETS

Fixed assets of the district are included on the balance sheet of the Fund. Interest costs incurred during construction are not capitalized. Depreciation of all exhaustive fixed assets are charged as an expense against operations. Fixed assets reported on the balance sheet are net of accumulated depreciation. Depreciation is computed using the straight line method over the estimated useful lives of 5 to 50 years.

#### F. COMPENSATED AGENCIES

The District has no formal leave policy and does not provide for the accumulation and vesting of leave.

#### G. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the Enterprise Fund.

SEWERAGE AND WATERWORKS DISTRICT NO. 2  
 SEWERAGE AND WATERWORKS POLICE JURY  
 BERKSHIRE, LOUISIANA  
 Notes to the Financial Statements

K. 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.

Reserves

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

(2) CASH AND CASH EQUIVALENTS  
 AND INVESTMENTS

At December 31, 1996, the District had cash and cash equivalents (bank balances) totaling \$988,932, as follows:

Demand deposits	\$	13,969
Interest bearing demand deposits		81,523
Money market accounts		<u>388,218</u>
Total cash	\$	<u>483,710</u>

Deposits with banks classified  
 as investments

Time deposits over 90 days	\$	<u>183,228</u>
Total cash and investments on deposit with banks	\$	<u>666,938</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. At December 31, 1996, the district had \$669,732 in deposits (collected bank balances).

MEMPHIS FIRE DEPARTMENT DISTRICT NO. 2  
MEMPHIS FIRE DEPARTMENT POLICE JURY  
MEMPHIS, LOUISIANA  
Notes to the Financial Statements

These deposits are secured from risk by \$313,962 of Federal insurance and \$375,773 of pledged securities held by the custodial banks in the name of the fiscal agent banks (GASB category 3).

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

(3) RECEIVABLES

The following is a summary of receivables at December 31, 1994:

Class of Receivable	Current Assets
Customer accounts	\$ 23,207
Ad valorem taxes	221,632
Accrued interest	<u>6,555</u>
Total	\$ <u>251,394</u>

Uncollectible amounts due for ad valorem taxes and customer's utility receivables are recognized as bad debts through the direct write-off method at the time information becomes available which would indicate that a particular account is not collectible.

The allowance method for uncollectible accounts is not used due to immateriality based on prior years experience.

BOURBONPARIS PARISH WATERWORKS DISTRICT NO. 2  
BOURBONPARIS PARISH POLICE JURY  
BOURBONPARIS, LOUISIANA  
Notes to the Financial Statements

(4) PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment at December 31, 1996 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 8,324	\$ ---	\$ 8,324
Plant and distribution system	3,826,190	(1,078,506)	2,747,684
Furniture, fixtures and equipment	105,382	(27,586)	77,796
Pumps and compressors	<u>10,128</u>	<u>(5,242)</u>	<u>4,886</u>
Totals	<u>\$ 3,949,924</u>	<u>\$ (1,109,934)</u>	<u>\$ 2,839,990</u>

All depreciable assets are depreciated using the straight-line method of depreciation.

The plant and distribution system uses a 10 to 40 life; the furniture, fixtures and equipment including data processing equipment, uses 5 to 10 year life; pumps and compressors are depreciated over 10 years.

(5) LONG-TERM DEBT

The following is a summary of the long-term debt transactions of the District for the year ended December 31, 1996:

	<u>Bonds</u>	<u>Obligation</u>	<u>Total</u>
Bonds payable, January 1, 1996	\$ 1,929,827	\$ 624,000	\$ 2,549,827
Bonds retired	<u>(18,582)</u>	<u>(125,600)</u>	<u>(144,182)</u>
Bonds payable, December 31, 1996	<u>\$ 1,911,245</u>	<u>\$ 498,400</u>	<u>\$ 2,409,645</u>



BOHANNON PARISH WATERWORKS DISTRICT NO. 2  
BOHANNON PARISH POLICE JURY  
BOHANNON, LOUISIANA  
Notes to the Financial Statements

Bonds payable at December 31, 1996 are comprised of the following individual issues:

General obligation bonds:

\$720,000 Public Improvement Bonds dated June 1, 1989, due in annual installments of \$15,000 - \$70,000 through March 1, 2019; interest at 7.5% - 10%. Issues secured by levy and collection of ad valorem taxes \$ 620,000

Revenue refunding bonds:

\$273,187 Water Utility Refunding Bonds dated April 6, 1989, due in annual installments of \$38,000 - \$33,550 through September 30, 2016; interest at 10%. \$ 262,180

Revenue bonds:

\$1,607,000 Water Revenue Bonds dated November 18, 1991, due in monthly installments of \$10,291 beginning December 10, 1993 through November 18, 2031; interest at 6.75%. \$ 1,603,842

The annual requirements to amortize all debt outstanding as of December 31, 1996 (including interest payments of \$1,388,647) are as follows:

Term ending	General	Revenue	Total
	Obligation Bonds	Bonds	
1997	\$ 75,000	\$ 157,038	\$ 232,038
1998	75,000	156,287	231,287
1999	75,248	155,537	230,785
2000	75,789	154,786	230,575
2001	75,832	154,037	229,869
2002-2006	363,646	777,432	1,141,078
2007-2011	329,000	571,931	900,931
2012-2016	---	774,831	774,831
2017-2021	---	817,440	817,440
2022-2026	---	817,440	817,440
2027-2031	---	607,153	607,153
<b>Totals</b>	<b>\$ 932,026</b>	<b>\$ 4,944,218</b>	<b>\$ 5,876,244</b>

BRASSFIELD PARISH WATERWORKS DISTRICT NO. 2  
 SEVENHORN PARISH POLICE JURY  
 BRIDGE, LOUISIANA  
 Notes to the Financial Statements

A summary of bond insurance cost at December 31, 1996 is as follows:

Bond insurance cost	\$	33,437
Less: accumulated amortization		<u>19,422</u>
Net bond insurance cost		\$ 14,015

(6) COMMISSIONER FEES

The following is a breakdown of commissioner's fees for the year ended December 31, 1996.

Name	Number of days	Amount of Fee Day	Total Paid
Bessie Eagle	14	\$ 35	\$ 490
Paul Cooley	14	35	490
H. B. Francis	16	35	525
Malvin Crabtree	13	35	455
Harold Sonnenberg	17	35	595
J. R. Bayona	4	35	140
Total			<u>\$ 2,345</u>

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 and within the provisions of R.S. 33:3819.

(7) RETIREMENT COSTS

All employees of the District are members of the Federal Social Security System. The District contributes 3.45% of gross salaries up to appropriate statutory limits to that system. The Federal Social Security administers the plan and pays benefits.

# John A. Windham, CPA

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John A. Windham, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Bossierparish Parish Waterworks  
District No. 3  
Bossier, Louisiana

I have audited the general purpose financial statements of Bossierparish Parish Waterworks District No. 3, as of and for the year ended December 31, 1996, and have issued my report thereon dated June 10, 1997.

I conducted my audit in accordance with generally accepted auditing standards and GOVERNMENT 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.

The management of Bossierparish Parish Waterworks District No. 3, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of Bossierparish Parish Waterworks District No. 3, for the year ended December 31, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in

Board of Commissioners  
Newburg Parish Waterworks  
District No. 3  
Singer, Louisiana

operation, and we assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities 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 structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Commissioners, Management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Beidder, Louisiana  
June 18, 1987

# John A. Windham, CPA

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John A. Windham, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
BASED ON AN ASSET OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Bossiergard Parish Waterworks  
District No. 2  
Singer, Louisiana

I have audited the general purpose financial statements of Bossiergard Parish Waterworks District No. 2, as of and for the year ended December 31, 1996, and have issued my report thereon dated June 18, 1997.

I conducted my audit in accordance with generally accepted auditing standards and GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Bossiergard Parish Waterworks District No. 2, is the responsibility of Bossiergard Parish Waterworks District No. 2's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Bossiergard Parish Waterworks District No. 2's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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.

This report is intended for the information of the board of Commissioners, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



DeRidder, Louisiana  
June 18, 1997