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**BOAUCARD PARISH NETWORKERS DISTRICT NO. 2
BOAUCARD PARISH POLICE JURY
BOAUCARD, LOUISIANA**

Component Unit Financial Statements
As of and for the Year Ended December 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Auditor, 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 APR 2, 1998

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John A. Windham, CPA

A Professional Corporation

1620 North Pine St.
DeRidder, LA 70604
Tel. (337) 462-0281
Fax. (337) 462-8948

John A. Windham, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Beauregard Parish Waterworks
District No. 2
Einger, Louisiana

I have audited the accompanying general purpose financial statements of Beauregard Parish Waterworks District No. 2, a component unit of the Beauregard Parish Police Jury, DeRidder, Louisiana, as of and for the year ended December 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of Beauregard 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 Beauregard Parish Waterworks District No. 2, as of December 31, 1997 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
Bouttegard Parish Waterworks
District No. 2
Einger, Louisiana

In accordance with GOVERNMENT ACCOUNTING STANDARDS, I have also issued a report dated March 28, 1988 on my consideration of Bouttegard Parish Waterworks District No. 2's internal control structure and its compliance with laws and regulations.

John A. Windham, CPA
Bouttegard, Louisiana
March 28, 1988

Statement A

BERNARDINE PARISH WATERWORKS DISTRICT NO. 2
 BERNARDINE PARISH POLICE JURY
 BERIDORE, LOUISIANA
 PROPRIETARY FUND - ENTERPRISE FUND
 (All Fund Types and Account Groups)

BALANCE SHEET
 December 31, 1997

ASSETS

Current assets:	
Cash	\$ 548,380
Receivables:	
Taxes	261,146
Accounts	7,173
Accrued interest receivable	21,698
Prepaid expense	7,819
Total Current Assets	<u>\$ 846,216</u>
Restricted assets - cash	
Revenue bond and interest	
sinking fund	\$ 23,810
Bond reserve	88,892
Depreciation and contingency	23,159
Total Restricted Assets	<u>\$ 135,861</u>
Property, plant and equipment	
Land	\$ 8,326
Plant and equipment	3,947,522
Construction in progress	38,810
Less accumulated depreciation	<u>(1,232,828)</u>
Net property, plant and equipment	<u>\$ 3,761,830</u>
Bond issuance cost - net	<u>\$ 26,062</u>
Total Assets	<u>\$ 3,758,575</u>

(Continued)

The accompanying notes are an integral part of this statement.

Statement A

BERNARD PARISH WATERWORKS DISTRICT NO. 2
 BERNARD PARISH POLICE JURY
 BERKIDDER, LOUISIANA
 PROPRIETARY FUND - ENTERPRISE FUND
 (All Fund Types and Account Groups)

BALANCE SHEET
 December 31, 1997

LIABILITIES AND FUND EQUITY

Liabilities:

Current liabilities (payable from current assets):	
Accounts payable	\$ 12,369
Contracts payable	598
Sales tax payable	628
Payroll taxes payable	1,490
Accrued general obligation bond interest	14,903
Current portion of general obligation bonds	<u>22,000</u>
Total Current Liabilities - (payable from current assets)	\$ 52,988
Current liabilities (payable from restricted assets):	
Accrued revenue bond interest	\$ 8,930
Current portion of revenue bonds	<u>18,508</u>
Total Current Liabilities - (payable from restricted assets)	\$ 27,438
Long-term debt	
Revenue bonds (net of current portion)	\$1,874,388
General obligation bonds (net of current portion)	<u>325,000</u>
Total Long-Term Liabilities	<u>2,200,388</u>
Total Liabilities	\$2,482,812

(Continued)

The accompanying notes are an integral part of this statement.

Statement A

BEAUREGARD PARISH MATRONAGE DISTRICT NO. 2
 BEAUREGARD PARISH POLICE JURY
 BERIDORE, LOUISIANA
 PROPRIETARY FUND - ENTERPRISE FUND
 (All Fund Types and Account Groups)

BALANCE SHEET
 December 31, 1997

Fund Equity:	
Contributed capital	
Grant - PMA	\$ 404,800
Customers	<u>58,150</u>
Total Contributed Capital	<u>\$ 462,950</u>
Retained earnings	
Reserved for revenue bond retirement	\$ 92,127
Unreserved	<u>116,196</u>
Total Retained Earnings:	<u>\$ 208,323</u>
Total Fund Equity	<u>\$1,261,273</u>
Total Liabilities and Fund Equity	<u>\$1,758,575</u>
	(Concluded)

The accompanying notes are an integral part of this statement.

BOSSARD PARISH WATERWORKS DISTRICT NO. 2
 BOSSARD PARISH POLICE JURY
 DENIER, LOUISIANA
 PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF REVENUE AND EXPENSES AND
 CHANGES IN RETAINED EARNINGS
 For the Year ended December 31, 1997

Operating Revenues:	
Water sales	\$ 272,088
Operating Expenses:	
Repairs and maintenance	\$ 13,448
Advertising	148
Depreciation	112,712
Amortization	831
Utilities and telephone	30,896
Salaries and payroll taxes	61,318
Contract Labor	1,627
Insurance	14,888
Postage	4,818
Office supplies	1,513
Legal and audit	2,653
Commissions fees	2,390
Licenses and permits	390
Training	637
Gas and oil	4,404
Small tools and supplies	17,094
Penalties and late charges	72
Miscellaneous	821
Total Operating Expenses	\$ 275,828
Operating Income	\$ 2,260
Non-Operating Revenues (expenses):	
Interest income	\$ 21,409
Ad valorem taxes	271,521
Interest expense	(192,687)
Tax Collection Expense	17,310
Total Non-Operating Revenues (expenses):	\$ 21,553
Net Income	\$ 93,813
Retained Earnings	
Beginning of Year	712,428
Retained Earnings	
End of Year	\$ 806,241

The accompanying notes are an integral part of this statement.

Statement C

BERNARD PARISH WATERWORKS DISTRICT NO. 2
 BERNARD PARISH POLICE JURY
 DENIDOR, LOUISIANA
 PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF CASH FLOW
 For the Year Ended December 31, 1987

Cash flows from operating activities:	
Cash received from customers	\$ 236,293
Cash payments for goods and services	199,589
Cash payments for personal services	183,318
Net cash provided by operating activities	<u>\$ 77,386</u>
Cash flows from capital and related financing activities:	
Interest paid on long-term debt	\$ (193,599)
Equipment purchased	(3,854)
Construction in progress	(38,341)
Principal paid long-term debt	(49,578)
Tax receipts	371,831
Tax collection expense	<u>(7,210)</u>
Net cash used for capital and related financing activities	<u>\$ (221,261)</u>
Cash flows from investing activities:	
Interest received	<u>\$ 29,891</u>
Net increase in cash	\$ 77,116
Cash - beginning of year	<u>\$ 588,931</u>
Cash - end of year	<u>\$ 666,047</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating income	\$ 1,362
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	113,912
Amortization	933
Change in assets and liabilities:	
Increase in receivables	(18,785)
Decrease in prepaid expense	281
Decrease in accounts payable	<u>(111)</u>
Net cash provided by operating activities	<u>\$ 77,386</u>

The accompanying notes are an integral part of this statement.

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

NOTE TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 1997

INTRODUCTION

The Beaugard Parish Waterworks District #2 was created by the Beaugard Parish Police Jury under Louisiana Revised Statute 33:1811. 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 Beaugard Parish Police Jury.

The district is located in central Beaugard Parish in the southwestern region of the State of Louisiana. The district provides rural water service to approximately 1,345 residents and employs approximately three employees.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Beaugard 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 Beaugard Parish Police Jury is the financial reporting entity for Beaugard 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 Beaugard Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the

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

reporting entity is financial accountability. The GAO 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 Bossieregard 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 Bossieregard 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.

MEMPHIS PARISH WATERWORKS DISTRICT NO. 2
MEMPHIS PARISH POLICE JURY
MEMPHIS, 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, 1997 taxes of 22.80 mills were levied on property with assessed valuation totaling \$ 10,477,768 with 11.00 mills dedicated for debt retirement and 11.80 mills for operating and maintenance of the district.

Total taxes levied for the year ended December 31, 1997 were \$288,511, of which \$6,368 was collected resulting in a tax receivable balance of \$281,746 at December 31, 1997.

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.

BEAUREGARD PARISH WATERWORKS DISTRICT NO. 2
BEAUREGARD PARISH POLICE JUNE
DEPARTMENT, LOUISIANA
Notes to the Financial Statements

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. 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.

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 16, 1991, falling due in the ensuing 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.

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

A deposit in the amount of \$113 per month on the revenue bonds dated November 18, 1991 is deposited into a "Bond Reserve Fund" until \$123,488 has been accumulated therein.

- (3) A deposit of \$669 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 8% of the amount to be paid into the sinking fund of the revenue bonds dated April 4, 1989, to be deposited into a "Depreciation and Contingency Fund" monthly and to continue for the life of the bond.

B. 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.

I. COMPENSATED ABSENCES

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

J. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the Enterprise Fund.

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

E. FUND EQUITY

CONTRIBUTED CAPITAL

Grants, settlements, 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, 1997, the district had cash and cash equivalents (bank balances) totaling \$666,241, as follows:

Demand deposits	\$	29,166
Interest bearing demand deposits		92,139
Money market accounts		200,701
Time deposits		<u>144,235</u>
Total cash on deposit with banks	\$	<u>666,241</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, 1997, the district had \$666,241 in deposits (collected bank balances).

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

These deposits are secured from risk by \$327,396 of Federal deposit insurance and \$338,718 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 unregistered (Category 3) under GASB Statement 3, Louisiana Revised Statute 98:1223 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, 1997:

<u>Class of Receivable</u>	<u>Current Assets</u>
Customer accounts	\$ 31,699
Ad valorem taxes	261,744
Accrued interest	<u>7,173</u>
Total	\$ <u>299,617</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.

MEMBERBORO PARISH WATERWORKS DISTRICT NO. 1
MEMBERBORO PARISH POLICE JURY
DERIDDER, LOUISIANA
Notes to the Financial Statements

(4) PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment at December 31, 1997 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 5,325	\$ ---	\$ 5,325
Plant and distribution system	3,828,790	(1,174,797)	2,653,993
Furniture, fixtures and equipment	108,867	(41,748)	64,622
Pumps and compressors	12,165	(6,376)	5,789
Construction in progress	<u>38,810</u>	<u>---</u>	<u>38,810</u>
Totals	<u>\$ 3,994,857</u>	<u>\$ 1,222,921</u>	<u>\$ 2,771,936</u>

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

The plant and distribution system uses a 30 to 48 year life; the furniture, fixtures and equipment including data processing equipment, uses 5 to 10 year life; pumps and compressors are depreciated over 15 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, 1997:

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Total</u>
Bonds payable, January 1, 1997	\$ 1,912,482	\$ 896,800	\$ 2,807,662
Bonds retired	<u>(18,878)</u>	<u>(20,860)</u>	<u>(42,518)</u>
Bonds payable, December 31, 1997	<u>\$ 1,893,604</u>	<u>\$ 865,940</u>	<u>\$ 2,457,884</u>

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

Bonds payable at December 31, 1997 are comprised of the following individual issues:

General obligation bonds:

\$320,000 Public Improvement Bonds dated June 1, 1988, due in annual installments of \$18,000 - \$78,000 through March 1, 2008; interest at 7.5% - 10%. Issue secured by levy and collection of ad valorem taxes \$ 455,000

Revenue refunding bonds:

\$273,187 Water Utility Refunding Bonds dated April 8, 1989, due in annual installments of \$30,800 - \$33,350 through September 30, 2018; interest at 10%. \$ 232,092

Revenue bonds:

\$1,887,000 Meter Revenue Bonds dated November 18, 1991, due in monthly installments of \$10,281 beginning December 18, 1993 through November 18, 2033; interest at 8.75%. \$ 1,548,892

The annual requirements to amortize all debt outstanding as of December 31, 1997 including interest payments of \$1,157,768 are as follows:

Year ending	General	Revenue	Total
	Obligation Bonds	Bonds	
1998	\$ 73,843	\$ 154,387	\$ 228,230
1999	71,280	150,537	221,817
2000	73,748	154,788	228,536
2001	75,813	154,037	229,850
2002	72,783	153,387	226,170
2003-2007	363,144	773,604	1,140,820
2008-2012	148,800	773,184	921,984
2013-2017	---	728,834	728,834
2018-2022	---	617,442	617,442
2023-2027	---	617,442	617,442
2028-2033	---	463,092	463,092
Totals	<u>\$ 1,079,290</u>	<u>\$ 4,739,400</u>	<u>\$ 5,818,690</u>

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

A summary of bond issuance cost at December 31, 1997 is as follows:

Bond issuance cost	\$	22,627
less: accumulated amortization		(4,388)
Net bond issuance cost		<u>\$ 18,239</u>

(6) COMMISSIONER'S FEES

The following is a breakdown of commissioner's fees for the year ended December 31, 1997.

Name	Number of days	Amount of Fees Paid	Total Paid
Scottie Cagle	28	\$ 25	\$ 25
Paul Cooley	12	25	25
M. B. Frenka	15	25	25
Malvin Crabtree	18	25	25
J. W. Havens	14	25	25
Total			<u>\$ 2,336</u>

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 84 of the 1978 Session of the Louisiana Legislature and within the provisions of R.S. 48:1418.

(7) RETIREMENT COMMENTS

All employees of the District are members of the Federal Social Security System. The District contributes 7.65% of gross salaries up to appropriate statutory limits to that system. The Federal Social Security administration administers the plan and pays benefits.

John A. Windham, CPA

A Professional Corporation

1620 North Pine St.
Bossierde, LA 70604
Tel. (318) 462-3211
Fax. (318) 462-8648

John A. Windham, CPA

**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
Bossierde Parish Waterworks
District No. 2
Bossierde, Louisiana

I have audited the general purpose financial statements of Bossierde Parish Waterworks District No. 2, as of and for the year ended December 31, 1997, and have issued my report thereon dated March 25, 1998. I conducted my 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 Bossierde Parish Waterworks District No. 2's general purpose financial statements are free of material misstatement, I 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 these 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 Bossierde Parish Waterworks District No. 2'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 structure elements does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial

Board of Commissioners
Beauregard Parish Meterworks
District No. 2
Binger, Louisiana

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, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

John A. Wickham, CPA
Deidder, Louisiana
March 29, 1998