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**WATERWORKS DISTRICT NO. 9  
OF WARD 4 OF CALCASIEU  
PARISH, LOUISIANA  
Sulphur, Louisiana**

**Annual Financial Report  
December 31, 1997 and 1996**

Under provisions of state law, this report is a public document. A copy of the report has been submitted 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: 2-28-98

T A B L E O F C O N T E N T S

	<u>Page</u>
Independent Auditors' Report	i
Balance Sheet	2 - 3
Statement of Revenues, Expenses, and Changes in Retained Earnings	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10
Report on the Internal Control Structure in Conformance With Government Auditing Standards	11 - 12
Compliance Report Based on an Audit of Financial Statements in Conformance With Government Auditing Standards	13



# BROUSSARD & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Waterworks District No. 9 of Ward 4  
of Calcasieu Parish, Louisiana  
Opalher, Louisiana

We have audited the accompanying balance sheets of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana, component unit of Calcasieu Parish Police Jury, as of December 31, 1997 and 1996, and the related statements of revenues, expenses, and changes in retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana as of December 31, 1997 and 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated March 17, 1998 on our consideration of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana's internal control structure and a report dated March 17, 1998 on the compliance with laws and regulations.

*Broussard & Company*

Opalher, Louisiana  
March 17, 1998  
jys

### SULPHUR OFFICE

104 First Avenue, Sulphur, LA 70685  
Ph: (337) 527-8939 Facsimile: (337) 527-0044

### LAKE CHARLES OFFICE

1 Lakeshore Drive, Ste. 128, Lake Charles, LA 70601  
Ph: (504) 435-0000 Facsimile: (504) 435-8887

WATERWORKS DISTRICT NO. 7 OF PARISH 4  
OF CALCAHISH PARISH, LOUISIANA  
Scholar, Louisiana

Balance Sheet  
December 31, 1997 and 1998

	1997	1998
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 299,094	\$ 282,826
Certificates of deposit	300,000	-
Reserves (net of allowance for uncollectibles of \$4,063 for 1997 and \$4,388 for 1998):		
Water accounts	80,708	73,582
Sewer	29,902	39,408
Taxes - ad valorem - maintenance	79,444	83,497
Interest	4,924	-
Inventory	9,600	9,088
Prepaid insurance	1,228	2,182
Total Current Assets	701,496	687,583
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents - revenue bonds	78,884	302,182
Certificates of deposit - revenue bonds	288,000	288,000
Cash - sinking fund - general obligation bonds	99,821	28,618
Certificates of deposit - sinking fund - general obligation bonds	-	517,186
Taxes - ad valorem - sinking fund	214,794	479,120
Deferred compensation benefits	22,118	18,848
Total Restricted Assets	803,617	1,323,934
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Furniture, fixtures and equipment	30,478	37,847
Vehicles	21,792	51,819
Plant and distribution system	7,700,248	7,688,583
	7,752,518	7,728,257
Less: accumulated depreciation and amortization	(2,284,888)	(2,222,220)
	5,467,630	5,506,037
Construction in progress	-	9,899
Land	89,822	89,822
Net Property, Plant and Equipment	5,557,452	5,605,755
<b>TOTAL ASSETS</b>	<b>\$ 1,261,444</b>	<b>\$ 1,293,338</b>

The accompanying notes are an integral part of the financial statements.

**LIABILITIES AND RETAINED EARNINGS**

	<u>2021</u>	<u>2020</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	12,749	\$ 12,929
Payroll taxes and retirement payable	3,172	2,866
Sales tax payable	2,148	2,088
Wages payable	1,288	754
Due to DOTS	<u>26,181</u>	<u>28,123</u>
Total Current Liabilities	<u>45,538</u>	<u>48,860</u>
<b>CURRENT LIABILITIES (Payable from Restricted Assets)</b>		
Interest payable - revenue bonds	-	144,382
Interest payable - general obligation bonds	-	27,188
Current portion of revenue bonds	308,800	35,000
Current portion of general obligation bonds	-	145,000
Deferred compensation liability	<u>21,128</u>	<u>18,884</u>
Total Current Liabilities (Payable from Restricted Assets)	<u>329,928</u>	<u>670,454</u>
<b>LONG-TERM LIABILITIES</b>		
Revenue bonds (net of current portion and deferred loss)	4,884,428	4,888,964
General obligation bonds (net of current portion)	-	428,000
Total Long-Term Liabilities	<u>4,884,428</u>	<u>5,316,964</u>
Total Liabilities	<u>9,669,394</u>	<u>11,476,278</u>
<b>RETAINED EARNINGS</b>		
Reserved per revenue bond indentures	350,594	413,434
Designated for general obligation bonds	318,428	718,729
Unreserved	<u>1,550,821</u>	<u>848,789</u>
Total Retained Earnings	<u>2,219,843</u>	<u>1,980,952</u>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<u>11,889,237</u>	<u>13,457,230</u>

**WATERWORKS DISTRICT NO. 9 OF PARISH 4  
OF CALCASIEU PARISH, LOUISIANA  
Bogalusa, Louisiana**

**Statement of Revenues, Expenses and Changes in Retained Earnings  
For the Year Ended December 31,**

	<u>1997</u>	<u>1996</u>
<b>OPERATION REVENUES</b>		
Water sales, fees, late charges and service revenue	\$ 1,803,917	\$ 1,322,800
<b>OPERATION EXPENSES</b>		
Salaries and wages	117,188	129,819
Payroll taxes and employee benefits	28,493	29,044
Amortization	44,784	23,320
Commissions fees	8,280	8,280
Contract labor	21,848	24,471
Depreciation	193,064	177,317
Insurance	17,484	22,228
Legal and professional	18,023	11,799
Water reading	8,138	-
Miscellaneous	8,488	2,649
Office supplies and postage	18,888	28,884
Plant supplies	38,223	28,089
Repairs and maintenance	71,394	59,433
Telephone	7,191	7,883
Utilities	44,433	37,128
Vehicle expense	4,128	4,401
Bad debt expense	8,117	8,852
<b>Total Operating Expenses</b>	<u>688,878</u>	<u>642,212</u>
<b>INCOME FROM OPERATIONS</b>	<u>1,115,039</u>	<u>680,588</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Ad valorem taxes - sinking fund	212,777	148,599
Ad valorem taxes - maintenance	86,168	82,487
Interest income	47,188	34,871
Miscellaneous income	18,747	1,228
Intergovernmental - revenue sharing	8,748	8,261
Overhead expense and fiscal charges	(1,218,212)	(1,389,288)
<b>Total Non-Operating Revenues</b>	<u>115,068</u>	<u>176,148</u>
<b>NET INCOME</b>	<b>994,708</b>	<b>504,448</b>
<b>RETAINED EARNINGS - January 1</b>	<u>1,426,932</u>	<u>1,468,620</u>
<b>RETAINED EARNINGS - December 31</b>	<u>\$ 2,419,446</u>	<u>\$ 2,000,928</u>

The accompanying notes are an integral part of the financial statements.

WATERWORKS DISTRICT NO. 3 OF ROAD 4  
OF SACCADEO PARISH, LOUISIANA  
Buljeur, Louisiana

Statement of Cash Flows  
Year Ended December 31,

	<u>2021</u>	<u>2020</u>
<b>Increase (Decrease) in Cash</b>		
<b>Cash Flows From Operating Activities:</b>		
Operating income	\$ 326,881	\$ 329,808
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	293,864	177,727
Provision for bad debts	8,327	8,482
Amortization	44,988	22,222
Decrease (increase) in receivables	228,872	2,848
Decrease (increase) in prepaid insurance	288	( 382)
Increase (decrease) in accounts payable and other accrued expenses	( 172,821)	( 128,478)
Total Adjustments	497,382	82,227
Net Cash Provided (Used) by Operating Activities	<u>824,263</u>	<u>652,075</u>
<b>Cash Flows From Investing Activities:</b>		
Interest income	47,188	24,872
Purchase of certificates of deposit	( 328,000)	( 800,000)
Redemption of certificates of deposit	323,188	-
Net Cash Provided (Used) by Investing Activities	<u>342,376</u>	<u>( 775,128)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Capital expenditures for plant and equipment	( 120,745)	( 47,888)
Principal payments on bonds	(2,078,000)	( 225,800)
Current bond refunding proceeds	-	8,028,200
Revenue bond refunding	-	(4,281,478)
Bond issue costs	-	( 287,847)
Ad valorem taxes	218,144	229,892
Intergovernmental - revenue sharing	8,748	4,881
Interest expense	( 328,972)	( 389,226)
Other	25,723	( 57,828)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,188,012)</u>	<u>126,402</u>
<b>Net (Decrease) Increase in Cash</b>	<b>( 263,573)</b>	<b>( 46,651)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>652,806</u>	<u>722,217</u>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 389,233</b>	<b>\$ 675,566</b>
<b>Cash and Cash Equivalents:</b>		
Cash - unrestricted	\$ 299,094	\$ 282,828
Cash - restricted	90,139	192,738
	<u>\$ 389,233</u>	<u>\$ 475,566</u>
<b>Supplemental Cash Flow Disclosures:</b>		
Cash paid for interest	<u>\$ 321,222</u>	<u>\$ 328,855</u>

The accompanying notes are an integral part of the financial statements.

WATERWORKS DISTRICT NO. 9 OF WARD 4  
OF ORLEANS PARISH, LOUISIANA  
Bajoué, Louisiana

Notes to Financial Statements  
December 31, 1997 and 1996

**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana, conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:217 and to the guides set forth in the Louisiana Municipal Budget and Accounting Guide, and to the industry audit guide, Guide of State and Local Governmental Units.

GASB No. 34 requires that governments' proprietary activities apply all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletin. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The district has elected not to implement FASB Statements and Interpretations issued after November 30, 1989. The following is a summary of the more significant policies:

**FINANCIAL REPORTING ENTITY**

This report includes all funds and account group which are controlled by or dependent on the Commissioners. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, the Waterworks District No. 9 has no other fiscal or significant managerial responsibility over any other governmental unit that is not included in the financial statements of the Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana. The district is a component unit of the Calcasieu Parish Police Jury.

**FUND ACCOUNTING**

The accounts of the district are organized on the basis of a proprietary fund, which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.



**WATERWORKS DISTRICT NO. 3 OF PARISH 4  
OF CALCAHOU PARISH, LOUISIANA  
Bulitzer, Louisiana**

**Notes to Financial Statements (Continued)  
December 31, 1997 and 1996**

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**BASIS OF ACCOUNTING**

The district uses the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when incurred.

**ESTIMATES**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**PROPERTY, PLANT AND EQUIPMENT AND LONG-TERM LIABILITIES**

The proprietary fund is accounted for on a cost of services or capital maintenance measurement basis, and all assets and liabilities (whether current or non-current) associated with the activity are included in the balance sheet.

Depreciation of all exhaustible fixed assets is charged as an expense against the operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Furniture, fixtures and equipment	5 - 10 years
Vehicles	5 years
Plant and distribution system	40 years

All fixed assets are stated at historical cost. Depreciation amounted to \$193,068 for the year ended December 31, 1997 and \$177,717 for the year ended December 31, 1996.

The various fees incurred in connection with obtaining and issuing the general obligation and revenue bonds have been capitalized and are being amortized over a period of twenty to forty years using the straight-line and interest method. Amortization expense amounted to \$44,684 for the years ended December 31, 1997 and 1996.

**CASH AND CASH EQUIVALENTS**

The district considers all short-term investments with an original maturity of three months or less to be cash equivalents.

**INVENTORY**

Inventory is valued at the lower of cost (first-in, first-out) or market.

**Note 2 - Ad Valorem Taxes**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish in September or October and are usually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

Continued

**WATERBURY DISTRICT NO. 3 OF PARISH 4  
OF CALCACTUS PARISH, LOUISIANA  
Wabtur, Louisiana**

**Notes to Financial Statements (Continued)  
December 31, 1997 and 1998**

**Note 1 - Ad Valorem Taxes (Continued)**

For the year ended December 31, 1997, taxes of 9.88 mills were levied on property with assessed valuations, net of homestead exemption. Total taxes levied, net of provision funds, was \$218,948. Taxes receivable as December 31, 1997 were \$284,238, all of which were considered collectible. The 9.88 mills were dedicated as follows:

Maintenance Fund	3.88 mills
Winking Fund	7.00 mills

**Note 2 - Changes in Long-Term Debt**

The following is a summary of bond payable transactions of the District for the year ended December 31, 1997:

	(General)		
	<u>COLLECTIONS</u>	<u>Revenue</u>	<u>Total</u>
Outstanding at January 1, 1997	\$ 882,000	\$ 4,982,768	\$ 5,864,768
Bonds retired	( 882,000)	( 198,000)	(1,080,000)
Deferred loan amortization	_____	662	662
Outstanding at December 31, 1997	<u>\$ _____</u>	<u>\$ 4,785,430</u>	<u>\$ 4,785,430</u>

Long-term debt at December 31, 1997 consists of the following:

Revenue bonds:

\$5,025,000 Waterworks Revenue Refunding Bonds,  
Series 1996, due in annual installments of  
\$25,000 to \$275,000 through January 2, 2002;  
interest at 4.25 to 6%

\$ 4,785,430

The district issued the above bonds to refund the revenue bonds that were due to Farmer's Home Administration. The refunding was undertaken to reduce total future debt service payments. The amortization price exceeded the net carrying amount of the old debt by \$1,566. This amount is being applied against the new debt and amortized over the new debt's life, which is shorter than the life of the refunded debt.

The annual requirements to amortize all debt outstanding as of December 31, 1997, including interest payments of \$4,000,378, are as follows:

Year

December 31,

1998	\$ 382,788
1999	382,481
2000	382,788
2001	388,478
2002	382,608
Thereafter	<u>\$ 4,000,378</u>
	<u>\$ 4,923,431</u>

WATERWORKS DISTRICT NO. 9 OF WARD 4  
OF CALCAHOUSS PARISH, LOUISIANA  
Bulwer, Louisiana

Notes to Financial Statements (CONTINUED)  
December 31, 1997 and 1996

**Note 3 - Changes in Long-Term Debt (Continued)**

The revenue bonds are to be retired from the income and revenues derived from the operation of the System of the Waterworks District No. 9 of Ward 4 of Calcahouss Parish, Louisiana.

**Note 4 - Accumulated unpaid vacation and sick pay**

There was no liability for accumulated unpaid vacation and sick pay at December 31, 1997 and 1996.

**Note 5 - Deferred Compensation**

The district offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all district employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the district (without being restricted to the provisions of benefits under the plan), subject only to the claims of the district's general creditors. Participants' rights under the plan are equal to those of general creditors of the district in an amount equal to the fair market value of the deferred amount for each participant. The district believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

**Note 6 - Board of Commissioners' Fees**

Members of the Board of Commissioners are paid a per diem allowance for attending board meetings. The total expenses for meetings attended during the year are as follows:

Mary Blended	\$ 1,018
Larry Bouton	1,088
Byron Chambliss	1,148
Vito Trancoso	1,088
Jim Mitchell	918
Total	<u>\$ 5,258</u>

**Note 7 - Cash and Cash Equivalents**

At December 31, 1997, the district has cash and certificates of deposit (bank balances) totaling \$1,824,213 as follows:

Demand deposits	\$ 117,494
Certificates of deposit	<u>1,706,719</u>
Total	<u>\$ 1,824,213</u>

WATERMORE DISTRICT NO. 9 OF WARD 4  
OF CALCAHOU PARISH, LOUISIANA  
Bullock, Louisiana

NOTES TO Financial Statements (CONTINUED)  
December 31, 1977 and 1976

**Note 7 - Cash and Cash Equivalents (CONTINUED)**

A reconciliation of cash and certificates of deposit follows:

Cash on hand	\$ 400
Carrying amount of deposits	<u>554,188</u>
	<u>\$ 554,588</u>
Cash and cash equivalents	\$ 374,488
Certificates of deposit (non-cash equivalents)	<u>180,000</u>
	<u>\$ 554,488</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (as 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. As December 31, 1977, the district had \$1,888,807 in deposits (collateral bank balances). These deposits are secured from risk by \$300,814 of Federal deposit insurance and \$988,188 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAAP Category 2).

Even though the pledged securities are considered uncollateralized (Category 2) under the provisions of GAAP Statement 2, Louisiana Revised Statute 39:1218 imposes a statutory requirement on the custodial bank to advertise 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.

**Note 8 - Other Information**

The district had 2,459 active metered customers as December 31, 1977.

**Note 9 - Commitments**

The district is in the process of issuing \$1,000,000 in general obligation bonds for the purpose of funding a project to expand and improve the water distribution system. The general obligation bonds are to be retired from the avails of property taxes levied and collected within the limits of the district.



# BROUSSARD & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

## REPORT ON THE INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Waterworks District No. 9 of Ward 4  
of Calcasieu Parish, Louisiana  
Sulphur, Louisiana

We have audited the financial statements of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana, as of and for the year ended December 31, 1997, and have issued our report thereon dated March 17, 1998.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana 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 recorded in accordance with management's authorization and recorded properly to permit the preparation of 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 our audit of the financial statements of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana for the year ended December 31, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

### SULPHUR OFFICE

704 Pine Avenue, Sulphur, LA, 70685  
Ph: (337) 527-5028 Fax: (337) 527-5044

### LAKE CHARLES OFFICE

1 Lakeshore Drive, Box 120, Lake Charles, LA, 70602  
Ph: (337) 439-6600 Facsimile: (337) 439-6602

Board of Commissioners  
Waterworks District No. 9 of Ward 4  
of Calcasieu Parish, Louisiana

Our 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 primary government 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management and Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Bronson & Company*

Bolinger, Louisiana  
March 17, 1998  
/s/



## BROUSSARD & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

COMPLIANCE REPORT BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Waterworks DISTRICT NO. 9 of Ward 4  
of Calcasieu Parish, Louisiana  
Bayoune, Louisiana

We have audited the financial statements of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana, as of and for the year ended December 31, 1997, and have issued our report thereon dated March 17, 1998.

We conducted our 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 we 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 Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana, is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana compliance with certain provision of laws, regulations, and contracts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of management and Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Broussard & Company*

Bayoune, Louisiana  
March 17, 1998  
/s/

**SLATKIN OFFICE**

784 First Street, Slatkin, LA 70663  
Ph: (504) 527-0019 Facsimile: (504) 527-8811

**LAKE CHARLES OFFICE**

1 Lakeshore Drive, Ste. 100, Lake Charles, LA 70602  
Ph: (337) 484-5288 Facsimile: (337) 484-6607