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Release Date JUL 22 1988

**VERNON R
COON**
LEGISLATIVE AUDITOR OF MISSISSIPPI

**CLAM SHEWMAKE DISTRICT NO. 2
OF FRANKLIN PARISH
Winn, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1997**

FLAM SEWERAGE DISTRICT NO.2
OF FRANKLIN PARISH
Wabarr, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1997

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BLAM STATEROAD DISTRICT NO. 2
OF FRANKLIN PARISH
Winn, Louisiana
Contents, December 31, 1997

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Independent Auditor's Report

**ELIAS SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
Winn, Louisiana**

I have audited the general purpose financial statements of Elias Sewerage District No. 2 of Franklin Parish, a component unit of the Franklin Parish Police Jury, as of December 31, 1997, and for the two years then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of Elias Sewerage District No. 2'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. These 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 Elias Sewerage District No. 2 of Franklin Parish as of December 31, 1997, and the results of operations and its cash flows for the two years then ended in conformity with generally accepted accounting principles.

VERNON R. COON, INC.
MEMBER OF BURNHAM
PUBLIC ACCOUNTANTS

**MEMBER OF BURNHAM
MEMBER OF PUBLIC
ACCOUNTANTS**

**PROFESSIONAL CERTIFICATE NO.
MEMBERSHIP NO. 10000
RENEWED 04/01/2000
AND EXPIRES 04/01/2001**

**140 PROFESSIONAL BLDG.
SUITE 3000
LAWRENCE, MISS.
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FAX 204-385-4242**

FLAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
West Monroe, Louisiana
Independent Auditor's Report
December 31, 1997

In accordance with Government Auditing Standards, I have also issued reports dated May 20, 1998, on the Flam Sewerage District No. 2 of Franklin Parish's compliance with laws, regulations, contracts, and grants and my consideration of the district's internal control.



West Monroe, Louisiana
May 20, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

SLAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
Winn, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Balance Sheet, December 31, 1997

ASSETS

Current assets

Cash	\$6,540
Receivables - service fees	1,288
Other assets	<u>72</u>
TOTAL ASSETS	<u>\$7,900</u>

LIABILITIES AND FUND EQUITY

Liabilities - accounts payable	\$157
Fund equity - retained earnings - Unreserved - undesignated	<u>7,743</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$7,900</u>

The accompanying notes are an integral part of this statement.

**ELAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
Winn, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND**

**Statement of Revenues, Expenses, and
Changes in Retained Earnings
For the Year Ended December 31, 1997**

OPERATING REVENUES	
Service fee	<u>\$6,736</u>
OPERATING EXPENSES	
Maintenance and repair	2,270
Upkeep of grounds	1,000
Accounting and auditing	1,200
Utilities	218
Other	<u>366</u>
Total operating expenses	<u>4,874</u>
NET INCOME	1,742
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>6,384</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$7,746</u>

The accompanying notes are an integral part of this statement.

SLAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
 Wauver, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Revenues, Expenses, and
 Changes in Retained Earnings
 For the Year Ended December 31, 1999

OPERATING REVENUES	
Service fee	<u>\$9,563</u>
OPERATING EXPENSES	
Maintenance and repair	1,800
Upkeep of grounds	1,000
Accounting and auditing	1,200
Utilities	178
Other	<u>308</u>
Total operating expenses	<u>4,386</u>
NET INCOME	2,477
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>3,977</u>
RETAINED EARNINGS AT END OF YEAR	<u>6,394</u>

The accompanying notes are an integral part of this statement.

SLAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
Worren, Louisiana
PROPRIETARY FUND-TYPE - ENTERPRISE FUND

Statement of Cash Flows
For the Year Ended December 31, 1997

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$6,387
Cash paid to suppliers and others	<u>65,074</u>
Net cash provided by operating activities	<u>1,213</u>
CASH AT BEGINNING OF YEAR	<u>3,327</u>
CASH AT END OF YEAR	<u>\$6,540</u>

RECONCILIATION OF OPERATING INCOME TO NET

CASH USED BY OPERATING ACTIVITIES:	
Operating income	<u>\$1,353</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Decrease in receivables	51
Decrease in accounts payable	<u>680</u>
Total adjustments	<u>731</u>
Net cash provided by operating activities	<u>\$1,313</u>

The accompanying notes are an integral part of this statement.

ELAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
Winn, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Cash Flows
For the Year Ended December 31, 1996

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$6,888
Cash paid to suppliers and others	<u>5,250</u>
Net cash provided by operating activities	<u>1,637</u>
CASH AT BEGINNING OF YEAR	<u>1,070</u>
CASH AT END OF YEAR	<u>\$2,707</u>

RECONCILIATION OF OPERATING INCOME TO NET

CASH USED BY OPERATING ACTIVITIES:	
Operating income	<u>\$2,477</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Increase in receivables	(374)
Increase in accounts payable	<u>156</u>
Total adjustments	<u>(218)</u>
Net cash provided by operating activities	<u>\$2,257</u>

The accompanying notes are an integral part of this statement.

**ILLAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
Winnier, Louisiana**

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 1997

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Illam Sewerage District No. 2 of Franklin Parish was created by the Franklin Parish Police Jury, as authorized by Louisiana Revised Statute 33:3881 on January 3, 1990. The district is governed by a three member board, appointed by the police jury, who serve without benefit of compensation. The district is responsible for maintaining and operating a sewerage collection and disposal system with the boundaries of the district.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Franklin Parish Police Jury is the financial reporting entity for Franklin Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Franklin Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

- i. 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.

**ELAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
Winn, Louisiana**
Notes to the Financial Statements (Continued)

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 all board members of the district and can impose its will on the district, the district was determined to be a component unit of the Franklin 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.

B. FUND ACCOUNTING

Elam Sewerage District No. 2 of Franklin Parish 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.

C. FIXED ASSETS

The district does not own any fixed assets. The sewerage system is owned by the Franklin Parish Police Jury and is not reflected in the accounting records of the district. There is no long-term debt as December 31, 1997.

BA. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement basis applied. The Enterprise Fund is reported in the accompanying financial statements on the accrual basis of

**ILAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
Winn, Louisiana
Notes to the Financial Statements (Continued)**

accounting. Revenues are recognized when they are earned. Expenses are recognized when they are incurred.

B. CASH

Under state law, the district may deposit funds within a fiscal agent bank 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. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1997, the district has cash and cash equivalents (bank balances) totaling \$6,540.

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. Cash and cash equivalents (bank balances) at December 31, 1997, are \$6,654, which are fully secured by federal deposit insurance.

B. VACATION AND SICK LEAVE

The district has no employees; therefore the adoption of vacation and sick leave policies is not required.

2. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 1997, nor is it aware of any unasserted claims.

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

The following independent auditor's reports on internal control and compliance 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.



**Independent Auditor's Report on Compliance
With Laws, Regulations, Contracts, and Grants**

**ILLAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
Winnifree, Louisiana**

I have audited the general purpose financial statements of Illam Sewerage District No. 2 of Franklin Parish, a component unit of the Franklin Parish Police Jury, as of December 31, 1967, and for the two years then ended, and have issued my report thereon dated May 20, 1968.

I conducted my audit in accordance with generally accepted auditing standards; *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. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Illam Sewerage District No. 2 of Franklin Parish is the responsibility of the district's management. As part of obtaining reasonable assurance about whether the 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. 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.

Material instances of noncompliance are failures to follow requirements or violations of prohibitions, contained in laws, regulations, or contracts that cause me to conclude that the aggregation of these failures or violations is material to the general purpose financial statements. The results of my tests of compliance disclosed material instances of noncompliance listed in the accompanying schedule of findings and questioned costs as finding numbers 87-1 and 87-4.

MISSISSIPPI REGISTERED
CERTIFIED PUBLIC ACCOUNTANTS
MEMBERS OF MISSISSIPPI
SOCIETY OF ACCOUNTANTS
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SUITE 1000
MEMPHIS, TENNESSEE
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THE FIRM'S OFFICE IS AT:
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SUITE 1000
MEMPHIS, TENNESSEE
38103
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ELAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
Winn, Louisiana
Independent Auditor's Report
on Compliance, Etc.
December 31, 1997

I considered these instances of noncompliance in forming my opinion on whether the Elam Sewerage District No. 2 of Franklin Parish's financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated May 20, 1998, on those general purpose financial statements.

This report is intended for the information of the board of commissioners of Elam Sewerage District No. 2 of Franklin Parish and interested state agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



Winn, Louisiana
May 20, 1998



**Independent Auditor's Report
on Internal Control**

**ELAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
Winnifree, Louisiana**

I have audited the general purpose financial statements of Elam Sewerage District No. 2 of Franklin Parish, a component unit of the Franklin Parish Police Jury, as of December 31, 1997, and for the two years then ended, and have issued my report thereon dated May 20, 1998.

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.

The management of Elam Sewerage District No. 2 of Franklin Parish 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 policies and procedures. The objectives of an internal control 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, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure in 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.

**VERNON R. COON
INCORPORATED
PUBLIC ACCOUNTANTS**

**SUITE 101
SULLYVILLE
MEMPHIS**

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ACCOUNTING, AUDITING
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ELAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
Winnier, Louisiana
Independent Auditor's Report
on Internal Control
December 31, 1998

In planning and performing my audit of the general purpose financial statements of Elam Sewerage District No. 2 of Franklin Parish, for the two years ended December 31, 1997, I obtained an understanding of the internal control. With respect to the internal control, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I 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. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control that, in my judgment, could adversely affect the sewerage district's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. These reportable conditions are listed in the accompanying schedule of findings and questioned costs as finding numbers 87-2 and 87-3.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control elements does not reduce to a relatively low level the risk that errors or 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.

My consideration of the internal controls would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses as defined above. However, I do not believe the reportable conditions described above to be material weaknesses.

This report is intended for the information of the board of commissioners of Elam Sewerage District No. 2 of Franklin Parish and interested state agencies. This is not intended to limit the distribution of this report, which is a matter of public record.


West Monroe, Louisiana
May 28, 1998

Eaton Sewerage District, No. 2 of Franklin Parish
Wisner, La.

Schedule of Findings and Questioned Costs
For the Two Years Ended December 31, 1993

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Eaton Sewerage District No. 2 of Franklin Parish.
2. Two instances of noncompliance material to the financial statements of Eaton Sewerage District No. 2 of Franklin Parish were disclosed during the audit.
3. Two reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

**97-1 Need to File Sworn Annual
Financial Statements**

Findings: The district did not file sworn annual financial statements with the legislative auditor's office for the year ended December 31, 1990. Louisiana Revised Statute (LRS) 24:514 (A) and (B) requires that the sewerage district file sworn annual financial statements with the legislative auditor within ninety days following the close of the district's fiscal year. Additionally, the district did not file certification that it received less than fifty thousand dollars in revenue as required by 24:513 (1).

Recommendation: The district should file sworn annual financial statements with the legislative auditor within ninety days following the close of the district's fiscal year. When appropriate, the district should file certification with the legislative auditor indicating that it received less than fifty thousand dollars in revenue for the fiscal year.

**97-2 Need to Maintain Support
For Expenditures**

Finding: 4 out of the 30, or 13%, of disbursements examined during my audit were not supported by an original itemized invoice. Invoices or other support provides evidence of the district's compliance with state laws and regulations.

(Continued)

Ham Sewerage District No. 2 of Franklin Parish
Winnier, La.

Schedule of Findings and Questioned Costs (Cont'd.)
For the Two Years Ended December 31, 1997

97-2 **Findings: Need to Maintain Support
For Expenditures (cont'd.)**

Failure to pay from original invoices allows for the possibility of duplicate payments.

Recommendation:All disbursements of the sewerage district should be supported by an original itemized invoice or other original support.

97-3 **Segregation of Duties**

All accounting functions of the district, i.e., depositing and posting receipts and preparing, posting, and issuing checks are performed by one individual. Such functions are not compatible and should be performed by separate individuals. However, because of the size of the district and its limited resources, it is not economically feasible to correct this deficiency.

97-4 **Need to Record and Publish
Minutes of Board Meetings**

Findings: The sewerage district did not publish minutes of meetings. Louisiana Revised Statute (LRS) 43:131 requires that the proceedings of board meetings be published in a newspaper located in the parish. For the two years ended December 31, 1997, the sewerage district did not publish of board meetings. By not publishing written minutes of board meetings, the public was not informed of the activities of the board.

Recommendation: The sewerage district should publish minutes of all board meetings in the official journal of the parish as prescribed by law.

(Continued)

Slack Sewerage District No. 2 of Franklin Parish
Winnier, La.

Schedule of Findings and Questioned Costs (Contd.)
For the Two Years Ended December 31, 1997

C. **FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL
AWARD PROGRAMS AUDIT**

No federal funds were received during the two years ended December 31, 1997

(Continued)

Water Sewerage District No. 2 of Franklin Parish
Winn, La.

Schedule of Prior Year Findings
For the Two Years Ended December 31, 1997

SECTION I - COMPLIANCE REPORT

**Need to File Sworn Annual
Financial Statements**

Recommendation: The district should comply with LRS 24:514 by filing sworn annual financial statements with the legislative auditor within ninety days following the close of the district's fiscal year. In addition, under provisions of LRS 24:514 enacted in 1995, the district must file a certification with the legislative auditor indicating that it received less than fifty thousand dollars for the fiscal year.

This finding has not been resolved. The district did not file annual sworn financial for the year ended December 31, 1996. See finding 97-1 on the Schedule of Findings and Questioned Costs.

**Need to Comply with the
Code of Government Ethics**

Recommendation: The district should not compensate any board member for services rendered to the district. The district should obtain the services from parties unrelated to the district or the services should be provided by the board member without compensation.

This finding has been resolved. No board members were compensated during the two years ended December 31, 1997 for any services rendered to the district.

**Board Members Must
Reside Within the District**

Recommendation: The board member should resign from the board if he is going to reside outside the boundaries of the district and another member should be appointed to the board by the Franklin Parish Police Jury.

This finding has been resolved. The board member now has a residence within the district.

Ellen Sewage District No. 2 of Franklin Parish
Winser, La.

Schedule of Prior Year Findings
For the Two Years Ended December 31, 1997

SECTION II - INTERNAL CONTROL REPORT

**Need to Maintain Proper Supporting
Documentation for Expenditures**

Recommendation: The district should not disburse any funds without proper documentation supporting the disbursement. All invoices or other documentation supporting the disbursement should be signed by the person receiving the goods or services and maintained in the district's vendor files in an orderly and logical fashion.

This finding has not been resolved. See finding 97-2 on the Schedule of Findings and Questioned Costs.

Segregation of Duties

All accounting functions of the district, i.e., depositing and posting receipts and preparing, posting, and issuing checks are performed by one individual. Such functions are not compatible and should be performed by separate individuals. However, because of the size of the district and its limited resources, it is not economically feasible to correct this deficiency.

This finding has not been resolved. See finding 97-3 on the Schedule of Findings and Questioned Costs.

SECTION III - MANAGEMENT LETTER

There were no management letters issued with the audit for the two years ended December 31, 1995.

Wiam Sewerage District No. 2
P. O. Box 150
Minger, LA 71378
Phone: 338-724-7471

Vernon E. Cook
Certified Public Accountant
104 Professional Bldg
West Monroe, LA 71291

Wiam Sewerage District No. 2 of Franklin Parish respectfully submits the following corrective action plan for the year ended December 31, 1997.

Audit period: January 1, 1997 - December 31, 1997

The findings from the May 28, 1998 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers in the schedule.

93-1 Need to File Sworn Annual Financial Statements

Recommendation: The district should file sworn annual financial statements with the legislative auditor within sixty days following the close of the district's fiscal year. When appropriate, the district should file certification with the legislative auditor indicating that it received less than fifty thousand dollars in revenue for the fiscal year.

Action to be taken: For future years beginning with the close of this fiscal year ending December 31, 1998, Wiam Sewerage will file a sworn financial statement with the legislative auditor. This statement will be completed and filed by Mandy Farrington, Office Manager for the system.

97-2 Need to Maintain Support For Expenditures

Recommendation: All disbursements of the sewerage district should be supported by an original itemized invoice or other original support.

Action to be taken: Beginning with all checks to be written June 1, 1998, an original invoice will be required. No payments will be made otherwise. This will be the duty of office manager, Mandy Farrington.

PT-3 Segregation of Duties

All accounting functions of the district, i.e., depositing and posting receipts and preparing, posting, and issuing checks are performed by one individual. Such functions are not compatible and should be performed by separate individuals. However, because of the size of the district and its limited resources, it is not economically feasible to correct this deficiency.

Action to be taken: We agree with this finding. It is not economically feasible for a system of this size to pay another employee at this time.

PT-4 Need to Publish Minutes of Board Meetings

Recommendation: The sewerage district should publish minutes of all board meetings in the official journal of the parish as prescribed by law.

Action to be taken: Minutes from all meetings will be published in the future in The Franklin Sun, the official journal of Franklin parish. This will be the duty of Nancy Farrington.

Sincerely,



Hardy Adams