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LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

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 10-21-98

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JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
 (1904-1984)

Harold Dupre, CPA
 Retired

COMPILATION REPORT

The Board of Directors
 Lawtell Waterworks District No. One
 of St. Landry Parish
 Lawtell, Louisiana

We have compiled the accompanying general purpose financial statements of the Lawtell Waterworks District No. One of St. Landry Parish, a component unit of the St. Landry Parish Police Jury, as of June 30, 1998 and 1997, and for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated October 8, 1998, on the results of our agreed-upon procedures.

John S. Dowling & Company

Opelousas, Louisiana
 October 8, 1998

LAWTELL WATERWORKS DISTRICT NO. ONE OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
COMPARATIVE BALANCE SHEET
JUNE 30, 1998 AND 1997

<u>ASSETS</u>	<u>PROPRIETARY FUND TYPE</u>	
	<u>1998</u>	<u>1997</u>
<u>CURRENT ASSETS</u>		
Revenue Account		
Cash in checking account	\$16,120	\$17,383
Interest-bearing deposits	<u>89,385</u>	<u>106,009</u>
<u>Total</u>	<u>105,505</u>	<u>123,392</u>
Revenue Bond and Interest Sinking Fund		
Cash in checking account	660	660
Interest-bearing deposits	50,866	49,253
Less: restricted portion	<u>(32,588)</u>	<u>(28,300)</u>
<u>Net</u>	<u>18,938</u>	<u>21,613</u>
Revenue Bond Reserve Fund		
Cash in checking account	19,965	33,352
Interest-bearing deposits	31,645	30,057
Less: restricted portion	<u>(40,000)</u>	<u>(40,000)</u>
<u>Net</u>	<u>11,610</u>	<u>23,409</u>
Replacement and Extension Fund		
Interest-bearing deposits	28,890	27,489
Less: restricted portion	<u>(20,000)</u>	<u>(20,000)</u>
<u>Net</u>	<u>8,890</u>	<u>7,489</u>
Accounts receivable (net)	32,545	32,594
Prepaid insurance	<u>3,389</u>	<u>4,040</u>
<u>Total</u>	<u>35,934</u>	<u>36,634</u>
<u>Total current assets</u>	<u>180,877</u>	<u>212,537</u>
<u>RESTRICTED ASSETS</u>		
Revenue Bond and Interest Sinking Fund	32,588	28,300
Revenue Bond Reserve Fund	40,000	40,000
Replacement and Extension Fund	20,000	20,000
Meter Deposit Fund		
Cash in checking account	3,848	3,733
Interest-bearing deposits	<u>23,480</u>	<u>22,740</u>
<u>Total restricted assets</u>	<u>119,916</u>	<u>114,773</u>
<u>PROPERTY, PLANT, AND EQUIPMENT</u>		
Equipment shed	2,519	2,519
Building, parking lot and driveway	105,692	
Office furniture and fixtures	12,737	
Machinery and equipment	48,222	44,718
Water system	936,371	936,371
Less: accumulated depreciation	<u>(435,413)</u>	<u>(402,705)</u>
Land and right-of-way	<u>5,411</u>	<u>5,411</u>
<u>Total property, plant, and equipment</u>	<u>675,539</u>	<u>586,314</u>
<u>Total assets</u>	<u>976,332</u>	<u>913,624</u>

This statement continued on next page.

LAWTELL WATERWORKS DISTRICT NO. ONE OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
COMPARATIVE BALANCE SHEET (CONTINUED)
JUNE 30, 1998 AND 1997

LIABILITIES AND FUND EQUITY

	<u>PROPRIETARY FUND TYPE</u>	
	<u>1998</u>	<u>1997</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES (from current assets)</u>		
Accounts payable	\$4,119	
Payroll taxes payable	1,370	\$1,124
Sales taxes payable	680	751
<u>Total</u>	<u>6,169</u>	<u>1,875</u>
<u>CURRENT LIABILITIES (from restricted assets)</u>		
Customer meter deposits	20,879	19,524
Revenue bonds payable - current portion	20,000	15,000
<u>Total</u>	<u>40,879</u>	<u>34,524</u>
<u>LONG-TERM LIABILITIES</u>		
Revenue bonds payable	265,000	280,000
Less: current portion	<u>(20,000)</u>	<u>(15,000)</u>
<u>Total</u>	<u>245,000</u>	<u>265,000</u>
<u>Total liabilities</u>	<u>292,048</u>	<u>301,399</u>
<u>FUND EQUITY</u>		
<u>CONTRIBUTED CAPITAL</u>		
Grant from state of Louisiana	90,000	90,000
<u>Total contributed capital</u>	<u>90,000</u>	<u>90,000</u>
<u>RETAINED EARNINGS</u>		
Reserved for bond retirement	52,588	53,300
Reserved for replacements and extensions	20,000	20,000
Reserved for meter deposits	6,449	6,949
Unreserved	515,247	441,976
<u>Total retained earnings</u>	<u>594,284</u>	<u>522,225</u>
<u>Total fund equity</u>	<u>684,284</u>	<u>612,225</u>
<u>Total liabilities and fund equity</u>	<u>976,332</u>	<u>913,624</u>

See accompanying notes and accountant's report.

LAWTELL WATERWORKS DISTRICT NO. ONE OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>PROPRIETARY FUND TYPE</u>	
	<u>1998</u>	<u>1997</u>
<u>OPERATING REVENUES</u>		
Water sales	\$255,076	\$206,007
Water connections	6,086	10,920
Miscellaneous	<u>1,466</u>	<u>1,312</u>
<u>Total operating revenues</u>	<u>262,628</u>	<u>218,239</u>
<u>OPERATING EXPENSES</u>		
Advertising	304	
Contract labor	170	
Engineering fees	695	
Bank charges	28	110
Dues and subscriptions	495	150
Legal and accounting	3,540	5,005
Meetings and conventions	1,272	1,348
Office supplies	5,931	6,435
Chemicals	9,044	9,357
Salaries	50,201	47,627
Collection of bills	5,952	6,000
Insurance - group	2,794	3,131
Insurance - other	7,389	7,021
Miscellaneous	383	1,298
Repairs and maintenance	44,002	15,566
Small tools and supplies	2,798	1,552
Taxes, permits and licenses	3,969	3,828
Telephone	1,794	918
Truck	3,006	5,553
Utilities	11,574	8,875
Depreciation	<u>32,708</u>	<u>25,803</u>
<u>Total operating expenses</u>	<u>188,049</u>	<u>149,577</u>
<u>Operating income</u>	<u>74,579</u>	<u>68,662</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest income	10,424	11,673
Interest expense on revenue bonds	<u>(12,944)</u>	<u>(13,656)</u>
<u>Total nonoperating revenues (expenses)</u>	<u>(2,520)</u>	<u>(1,983)</u>
<u>Net income</u>	72,059	66,679
<u>RETAINED EARNINGS</u> , beginning of year	<u>522,225</u>	<u>455,546</u>
<u>RETAINED EARNINGS</u> , end of year	<u>594,284</u>	<u>522,225</u>

See accompanying notes and accountant's report.

LAWTELL WATERWORKS DISTRICT NO. ONE OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$263,961	\$218,122
Cash paid to suppliers	(100,124)	(76,322)
Cash paid to employees	(50,201)	(47,627)
<u>Net cash provided by</u> <u>operating activities</u>	<u>113,636</u>	<u>94,173</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED</u> <u>FINANCING ACTIVITIES</u>		
Purchase of property, plant and equipment	(121,933)	(117,651)
Interest paid on bonds	(12,944)	(13,656)
Principal paid on revenue bonds	(15,000)	(15,000)
<u>Net cash (used) by capital and</u> <u>related financing activities</u>	<u>(149,877)</u>	<u>(146,307)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest earned on money market accounts	<u>1,328</u>	<u>2,010</u>
<u>Net cash provided by investing</u> <u>activities</u>	<u>1,328</u>	<u>2,010</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(34,913)	(50,124)
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>91,743</u>	<u>141,867</u>
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>56,830</u>	<u>91,743</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET</u> <u>CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating income	\$74,579	\$68,662
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	32,708	25,803
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	49	(2,945)
(Increase) decrease in prepaid insurance	651	(163)
Increase (decrease) in accounts payable	4,119	
Increase (decrease) in sales taxes payable	(71)	72
Increase (decrease) in payroll taxes payable	246	(12)
Increase (decrease) in customer meter deposits	<u>1,355</u>	<u>2,756</u>
<u>Total adjustments</u>	<u>39,057</u>	<u>25,511</u>
<u>Net cash provided by operating</u> <u>activities</u>	<u>113,636</u>	<u>94,173</u>

See accompanying notes and accountant's report.

LAWTELL WATERWORKS DISTRICT NO. ONE OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practices of the Lawtell Waterworks District No. One conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. The Reporting Entity

The Lawtell Waterworks District No. One of St. Landry Parish, Louisiana was created by the St. Landry Parish Police Jury on June 8, 1965 and is a component unit of the St. Landry Parish Police Jury.

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Police Jury is the financial reporting entity for St. Landry 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 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 St. Landry 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:

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.

LAWTELL WATERWORKS DISTRICT NO. ONE OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. The Reporting Entity (Continued)

Because the police jury appoints a voting majority of the Water District's governing body and the police jury has the ability to impose its will on the Water District, the Water District was determined to be a component unit of the St. Landry Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Water 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

The accounts of the Lawtell Waterworks District No. One are organized in one fund, which is considered a separate accounting entity. The operations of the fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses. The fund presented in the financial statements is described as follows:

Proprietary Fund Type - Enterprise Fund. The Enterprise Fund is 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.

C. Basis of Accounting

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary Fund Type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Revenues consist primarily of water sales which are recognized when earned. Other revenues are recorded when received because they are generally not measurable until actually received. Investment earnings are recorded as earned.

LAWTELL WATERWORKS DISTRICT NO. ONE OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Purchases of various operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of year-end, unless material.

D. Cash and Investments

Louisiana statutes authorize the Water District to invest in United States bonds, treasury notes or certificates of deposit in state or national banks, or any other federally insured investment. Interest-bearing deposits are stated at cost, plus accrued interest to June 30, 1998 which approximates market. Interest-bearing accounts include certificates of deposit, money market accounts, and interest-bearing checking accounts.

E. Fixed Assets

Property, plant, and equipment, including infrastructure assets, (which constitute assets of the Proprietary Fund) are recorded at cost and depreciation is computed under the straight-line method and the declining balance method over the estimated useful lives of the respective assets. Interest cost incurred during construction, if any, are not capitalized. The service lives by type of asset are as follows:

Water system	40 years
Machinery and equipment	5-10 years
Equipment shed	15 years
Administration building	39 years
Parking lot and driveway	15 years
Office furniture and fixtures	5-7 years

F. Budgets and Budgetary Accounting

The Lawtell Waterworks District No. One is not required to adopt a budget for its Proprietary Fund.

G. Statement of Cash Flows

For the purpose of reporting cash flows all highly liquid investments with a maturity at purchase date of three months or less are considered to be cash equivalents.

H. Encumbrances

Lawtell Waterworks District No. One does not employ the encumbrance system of accounting.

LAWTELL WATERWORKS DISTRICT NO. ONE OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Vacation and Sick Leave

Full-time employees of Lawtell Waterworks District No. One earn three weeks of vacation per year and take sick leave as it is needed. There is no formal policy on carrying over leave time not used.

J. Bad Debts

Lawtell Waterworks District No. One has a policy of recognizing uncollectible amounts of water billings at the time information becomes available which would indicate the uncollectibility of the receivable. Uncollectible accounts are recognized and written off as bad debts after one year.

K. Pensions

The District's employees do not belong to any state pension plan, but are contributing to Social Security.

NOTE 2 - CASH

At June 30, 1998, the carrying amount of Lawtell Waterworks' deposits totaled \$264,859 and the bank balances totaled \$265,915.

At June 30, 1997, the carrying amount of Lawtell Waterworks' deposits totaled \$290,676 and the bank balances totaled \$292,623.

NOTE 3 - ACCOUNTS RECEIVABLE

The accounts receivable of the Lawtell Waterworks District No. One consist of uncollected billed and unbilled utility services as shown below:

	<u>JUNE 30,</u> <u>1998</u>	<u>JUNE 30,</u> <u>1997</u>
Uncollected billed receivable	\$27,465	\$24,784
Unbilled receivable	<u>5,923</u>	<u>9,335</u>
	33,388	34,119
Allowance for doubtful accounts	<u>(843)</u>	<u>(1,525)</u>
	<u>32,545</u>	<u>32,594</u>

LAWTELL WATERWORKS DISTRICT NO. ONE OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at each balance sheet date are made up of the following accounts:

	<u>JUNE 30,</u> <u>1998</u>	<u>JUNE 30,</u> <u>1997</u>
Revenue Account		
Cash in checking account	\$16,120	\$17,383
Cash in money market account		20,738
Revenue Bond and Interest Sinking Fund		
Cash in checking account	660	660
Revenue Bond Reserve Fund		
Cash in checking account	19,965	33,352
Meter Deposit Fund		
Cash in checking account	3,848	3,733
Cash in money market accounts	<u>16,237</u>	<u>15,877</u>
	<u>56,830</u>	<u>91,743</u>

NOTE 5 - RESTRICTED ASSETS

Revenue Bond and Interest Sinking Fund

This Fund, as required by the Bond Resolution, is used for the annual payment of principal and the semi-annual payment of interest on the outstanding bonds. This is accomplished by transferring from the Operating Fund, monthly in advance, on or before the fifteenth day of each month, a sum equal to one-sixth of the amount of the semi-annual interest due January 1 and July 1, and one-twelfth of the amount of annual principal due January 1.

Revenue Bond Reserve Fund

This Fund, as required by the Bond Resolution, is established for the purpose of paying the principal and interest on the bonds payable from the above mentioned Revenue Bond and Interest Sinking Fund, when monies in that Fund are not sufficient to pay. Monies are to be transferred into this Fund from the Operating Fund. These monies are a sum equal to 20% of that sum transferred to the Revenue Bond and Interest Sinking Fund until such time as the Fund shall equal \$40,000 and, thereafter, as may be necessary to maintain said reserve at \$40,000.

Replacement and Extension Fund

This account was established by depositing in the bank from the Operating Fund a sum of \$200 per month until the balance in the Fund equals \$20,000 and, thereafter, as may be necessary to maintain the \$20,000 balance. The monies in the Fund may be withdrawn and used for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, replacements, extensions and

LAWTELL WATERWORKS DISTRICT NO. ONE OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

NOTE 5 - RESTRICTED ASSETS (Continued)

paying the costs of improvements to the system which will either enhance its revenue-producing capacity or provide a higher degree of service. Also, in the event the available balance in the Revenue Bond and Interest Sinking Fund and/or the Revenue Bond Reserve Fund shall at any principal or interest payment date be insufficient to pay the next installment of principal and/or interest and to maintain the required reserve of \$40,000, transfers from this Fund shall be made to eliminate the deficiencies.

NOTE 6 - PROPERTY, PLANT, AND EQUIPMENT

The following is a summary of the property, plant, and equipment of the Proprietary Fund at June 30, 1998:

<u>Description of Property</u>	<u>Life in Year</u>	<u>Basis</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation This Year</u>
Water system	40	\$936,371	\$396,180	\$540,191	\$23,410
Machinery and equipment	5-10	48,222	34,469	13,753	7,053
Equipment shed	15	2,519	2,519		
Land		5,411		5,411	
Administration building	39	83,298	624	82,674	624
Parking lot and driveway	15	22,394	538	21,856	538
Office furniture and fixtures	5-7	<u>12,737</u>	<u>1,083</u>	<u>11,654</u>	<u>1,083</u>
<u>Totals</u>		<u>1,110,952</u>	<u>435,413</u>	<u>675,539</u>	<u>32,708</u>

The following is a summary of the property, plant, and equipment of the Proprietary Fund at June 30, 1997:

<u>Description of Property</u>	<u>Life in Year</u>	<u>Basis</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation This Year</u>
Water system	40	\$936,371	\$372,770	\$563,601	\$21,425
Machinery and equipment	5-10	44,717	27,415	17,302	4,378
Equipment shed	15	2,520	2,520		
Land		<u>5,411</u>		<u>5,411</u>	
<u>Totals</u>		<u>989,019</u>	<u>402,705</u>	<u>586,314</u>	<u>25,803</u>

LAWTELL WATERWORKS DISTRICT NO. ONE OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

NOTE 7 - BONDS PAYABLE

The original amount of the bond issue was \$470,000. The bonds are negotiable interest-bearing coupon bonds dated January 1, 1970, and are numbered 1 to 106, inclusive, and in denominations of \$1,000 and \$5,000. The bonds bear interest at 4.75%. Interest is payable semi-annually on January 1 and July 1 of each year. The bonds mature serially in stated amounts on each January 1 from 1972 to 2009, inclusive.

A summary of changes in bonds payable is as follows:

Balance of bonds payable, July 1, 1996	\$295,000
Payment, January 1, 1997	<u>(15,000)</u>
Balance of bonds payable, July 1, 1997	280,000
Payment, January 1, 1998	<u>(15,000)</u>
Balance of bonds payable, June 30, 1998	<u>265,000</u>

The annual requirements to retire bonds payable at June 30, 1998 are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$20,000	\$12,588	\$32,588
2000	20,000	11,637	31,637
2001	20,000	10,688	30,688
2002	20,000	9,737	29,737
2003	20,000	8,788	28,788
2004-2009	<u>165,000</u>	<u>28,299</u>	<u>193,299</u>
	<u>265,000</u>	<u>81,737</u>	<u>346,737</u>

NOTE 8 - BOARD MEMBERS' COMPENSATION

Compensation paid to board members is summarized below:

<u>Board Members</u>	<u>June 30,</u> <u>1998</u>	<u>June 30,</u> <u>1997</u>
Curtis Miller	\$960	\$900
James Bourgeois	900	840
Lorella Marshall	960	900
Lee Ann Fontenot	960	900
Calvin Thibodeaux	<u>960</u>	<u>900</u>
	<u>4,740</u>	<u>4,440</u>

LAWTELL WATERWORKS DISTRICT NO. ONE OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

NOTE 9 - WATER RATES

The water rate schedule (per month) for commercial and individual customers for the year ending June 30, 1998 are as follows:

First 2,000 gallons	\$9.00 (minimum)
All over 2,000 gallons	2.00 per 1,000 gallons

NOTE 10 - FUND EQUITY

The District did not have a negative retained earnings at June 30, 1998 or June 30, 1997.

John Newton Stout, CPA
 Joel Lanclos, Jr., CPA
 Russell J. Stelly, CPA
 Dwight Ledoux, CPA
 Chizal S. Fontenot, CPA
 James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Darren J. Cart, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
 (1904-1984)

Harold Dupre, CPA
 Retired

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

The Board of Directors
 Lawtell Waterworks District No. One
 of St. Landry Parish
 Lawtell, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Lawtell Waterworks District No. One of St. Landry Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Lawtell Waterworks District No. One's compliance with certain laws and regulations during the year ended June 30, 1998 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The Board of Directors
Lawtell Waterworks District No. One
of St. Landry Parish

None of the employees included on the list of employees provided by management (agreed-upon procedure (3)) appeared on the list provided by management in agreed-upon procedures (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

The Lawtell Waterworks District No. One is not required to adopt a budget because it is a Proprietary Fund.

6. Trace the budget adoption and amendments to the minute book.

Not applicable.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

Not applicable.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Determine if payments were properly coded to the correct fund and general ledger account; and

Payments were properly coded to the correct fund and general ledger account.

- (c) Determine whether payments received approval from proper authorities.

Payments were approved by the Board of Directors in the process of approving invoices and signing checks for payment of invoices.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Lawtell Waterworks District is only required to post a notice of each meeting and the accompanying agenda at the District's office. We observed such posting.

The Board of Directors
Lawtell Waterworks District No. One
of St. Landry Parish

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of Lawtell Waterworks District No. One for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Lawtell Waterworks District No. One of St. Landry Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

John S. Dowling & Company

Opelousas, Louisiana
October 8, 1998

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

6/18/98 (Date Transmitted)

John S. Dowling & Company
P.O. Box 433
Opelousas, LA 70571-0433 (Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 6/18/98 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Curtis Grant Anthony Secretary 06-18-98 Date
Curtis Grant Anthony Treasurer 06-18-98 Date
Lorella L. Marshall President 06-18-98 Date

Lawtell Water District
P.O. Box B
Lawtell, LA 70550

LAWTELL WATERWORKS DISTRICT NO. ONE OF ST. LANDRY PARISH
LAWTELL, LOUISIANA
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 1998

FINDINGS - APPLYING AGREED-UPON PROCEDURES

1997-1 Public Bid Law

Resolved

1997-2 Meetings

Resolved