

99 JUL 28 10:38

OFFICIAL  
FILE COPY

**DO NOT SEND OUT**

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

CAMERON PARISH WATERWORKS  
DISTRICT NO. 9  
CAMERON PARISH POLICE JURY  
Grand Cheniere, Louisiana

COMPONENT UNIT FINANCIAL STATEMENTS

For the year ended December 31, 1998

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 7-14-99

CAMERON PARISH WATERWORKS  
DISTRICT NO. 9  
CAMERON PARISH POLICE JURY  
Grand Cheniere, Louisiana

COMPONENT UNIT FINANCIAL STATEMENTS  
For the year ended December 31, 1998

CONTENTS

	<u>Page No.</u>
UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS-GOVERNMENTAL ENTITY 1 - 2	
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	3 - 4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS 5 - 6	
BALANCE SHEET - EXHIBIT A	7
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS - EXHIBIT B	8
STATEMENT OF CASH FLOWS - EXHIBIT C	9
NOTES TO FINANCIAL STATEMENTS	10 - 17
SUPPLEMENTARY INFORMATION	
Schedule 1 - Compensation of Board Members	19
Schedule 2 - Management's Schedule of Prior Year Findings	20
Schedule 3 - Management's Corrective Action Plan	21
Required Supplemental Information - Year 2000 Supplementary Information	22

# ELLIOTT & ASSOCIATES, INC.

*A Professional Accounting Corporation*

P. O. Box 1287

Leesville, Louisiana 71496-1287

(318) 239-2535

(318) 238-5135

Fax 239-2295

W. Micheal Elliott, CPA

## UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS-GOVERNMENTAL ENTITY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Cameron Parish Waterworks District No. 9  
Grand Cheniere, Louisiana

I have audited the accompanying general-purpose financial statements of the Cameron Parish Waterworks District No. 9, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Cameron Parish Waterworks District No. 9'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 the standards applicable to financial audits contained in *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 the Cameron Parish Waterworks District No. 9 as of and for the year ended December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 11, 1999, on my consideration of the Cameron Parish Waterworks District No. 9's internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants.

The year 2000 supplementary information on page 22 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and the presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the Cameron Parish Waterwork's District No. 9 is or will become year 2000 compliant, that the District's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the District does business are or will become year 2000 compliant.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of the District taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly state, in all material respects, in relation to the basic financial statements taken as a whole.

*Elliott & Assoc. "APAC"*  
Leesville, Louisiana  
June 11, 1999

# ELLIOTT & ASSOCIATES, INC.

*A Professional Accounting Corporation*

P. O. Box 1287

Leesville, Louisiana 71496-1287

(318) 239-2335

(318) 238-5135

Fax 239-2295

W. Micheal Elliott, 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  
Cameron Parish Waterworks District No. 9  
Grand Cheniere, Louisiana

I have audited the financial statements of the Cameron Parish Waterworks District No. 9 as of and for the year ended December 31, 1998, and have issued my report thereon dated June 11, 1999. 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 the Cameron Parish Waterworks District No. 9's 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 those 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 the Cameron Parish Waterworks District No. 9's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the 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 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 components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, the Board of Commissioners, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Elliott + Assoc. "APAC"*

Leesville, Louisiana  
June 11, 1999

Cameron Parish Waterworks District No. 9  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended December 31, 1998

I have audited the financial statements of Cameron Waterworks District No. 9 as of and for the year ended December 31, 1998, and have issued my report thereon dated June 11, 1999. 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. My audit of the financial statements as of December 31, 1998 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

*a. Report on Internal Control and Compliance  
Material to the Financial Statements*

Internal Control

Material Weaknesses ( ) Yes (X) No  
Reportable Conditions ( ) Yes (X) No

Compliance

Compliance Material to Financial  
Statements ( ) Yes (X) No

*b. Federal Awards*

Internal Control

Material Weaknesses ( ) Yes ( ) No (X) N/A  
Reportable Conditions ( ) Yes ( ) No (X) N/A

Type of Opinion On Compliance For Major Programs

Unqualified ( ) Qualified ( )  
Disclaimer ( ) Adverse ( )  
N/A (X)

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

( ) Yes ( ) No (X) N/A





CAMERON PARISH WATERWORKS  
DISTRICT NO. 9

BALANCE SHEET

December 31, 1998

ASSETS

Current assets:

Cash and cash equivalents (Note 2)	\$ 68,587
Receivables (Note 3)	
Ad valorem taxes	164,734
Federal revenue sharing	922
Account	11,966
Inventory, at cost	<u>5,629</u>
Total current assets	<u>251,838</u>

Restricted assets:

Cash and cash equivalents (Note 2)	6,335
Ad valorem taxes receivable (Note 3)	<u>5,197</u>
Total restricted assets	<u>11,532</u>

Fixed assets (Note 4):

Land	20,000
Buildings	508,478
Improvements other than buildings	4,378,519
Furniture, fixtures, and equipment	165,357
Less: accumulated depreciation	<u>(1,525,289)</u>
Fixed assets (net of accumulated depreciation)	<u>3,547,065</u>

Total assets \$3,810,435

The accompanying notes are an integral part of this statement.

LIABILITIES AND EQUITY

## Current liabilities:

Accounts payable	\$ 3,738
Customer deposits	91
Deferred revenue	4,210
Payroll related payables	15,503
Accrued interest payable (Note 5)	408
Ad valorem deductions payable	5,314
Interest payable-bank loan (Note 5)	3,702
Current portion-note payable (Note 5)	<u>29,064</u>

Total current liabilities 62,030

## Current liabilities payable from restricted assets:

Ad valorem deductions payable	167
Accrued interest payable (Note 5)	594
General obligation bonds payable--current (Note 5)	<u>5,000</u>

Total current liabilities payable from restricted assets 5,761

## Long-term liabilities:

Note payable-long-term portion (Note 5)	62,431
General obligation bonds payable (net of current portion)--(Note 5)	<u>20,000</u>

Total liabilities 150,222

## Equity:

Contributed capital (Note 6) 1,586,377

## Retained earnings:

Reserved for general obligation bond indentures (Note 8)	5,770
Unreserved-undesignated	<u>2,068,066</u>

Total retained earnings 2,073,836

Total equity 3,660,213

Total liabilities and equity \$3,810,435

CAMERON PARISH WATERWORKS  
DISTRICT NO. 9

Statement of Revenues, Expenses and  
Changes in Retained Earnings

For the year ended December 31, 1998

Operating revenues:	
Water sales	\$ 66,039
Installation service	<u>340</u>
Total operating revenues	<u>66,379</u>
Operating expenses:	
Salaries and related benefits	86,162
Operation of plant	106,860
Board member per diem	3,720
Depreciation (Note 4)	<u>120,121</u>
Total operating expenses	<u>316,863</u>
Operating loss	<u>(250,484)</u>
Nonoperating revenues (expenses):	
Ad valorem taxes and state revenue sharing (Note 3)	137,768
Interest income	8,298
Interest expense (Note 5)	(6,679)
Deduction from ad valorem tax (Note 7)	(5,482)
Gain (loss) from sale of fixed asset	5,302
Miscellaneous income	<u>13</u>
Total nonoperating revenues (expenses)	<u>139,220</u>
Net loss	(111,264)
Add depreciation on assets acquired through contributed capital (Note 7)	<u>49,896</u>
Decrease in retained earnings	(61,368)
Retained earnings, beginning	<u>2,135,204</u>
Retained earnings, ending	<u>\$2,073,836</u>

The accompanying notes are an integral part of this statement.

CAMERON PARISH WATERWORKS  
DISTRICT NO. 9  
Statement of Cash Flows  
For the year ended December 31, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$(250,484)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	120,121
Changes in assets and liabilities:	
Accounts receivable	1,120
Other current assets	(292)
Accounts payable	(3,161)
Other current liabilities	7,149
Deferred revenue	7
Customer deposits	<u>(729)</u>
Net cash (used) by operating activities	<u>(126,269)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Ad valorem taxes	379
Miscellaneous income	<u>12</u>
Net cash (used) by noncapital financing activities	<u>391</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Ad valorem taxes	134,911
Federal revenue sharing	212
Acquisition of property, plant and equipment	(127,524)
Gain on sale of equipment	6,775
Interest paid	(6,085)
Payment on long-term debt	<u>(27,714)</u>
Net cash provided by capital financing activities	<u>(19,425)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>8,298</u>
Decrease in cash	(137,005)
CASH, BEGINNING OF YEAR	<u>211,927</u>
CASH, END OF YEAR	<u>\$ 74,922</u>
CLASSIFIED AS	
Current Assets	\$ 68,587
Restricted Assets	<u>6,335</u>
Totals	<u>\$ 74,922</u>

The accompanying notes are an integral part of this statement.

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements

December 31, 1998

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cameron Parish Police Jury is a political subdivision of the State of Louisiana. The Cameron Parish Police Jury is the reporting entity for Cameron Parish as defined by NCGA Statement 3, (Defining the Governmental Reporting Entity).

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transaction of state and local governments. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local governments.

Cameron Parish Waterworks District No. 9 "District" is a component unit of the Cameron Parish Police Jury as defined by GASB codification Section 2100. The District was created by the Cameron Parish Police Jury as authorized by Louisiana Revised Statutes 33:3811-21. The District is governed by a board of 5 commissioners appointed by the Cameron Parish Police Jury, who are responsible for providing water service within the boundaries of the district.

A. FUND ACCOUNTING

Cameron Parish Waterworks District No. 9 is organized and operated on a fund basis as a Proprietary Fund Type-Enterprise Fund. In an enterprise fund the accrual basis of accounting is utilized and revenues are recognized when earned and expenses are recognized when incurred. Enterprise Funds are used to account for operations 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.

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements (Continued)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

B. BASIS OF ACCOUNTING

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

Proprietary funds follow GAAP prescribed by the Governmental Accounting Standards Board and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets associated with the operation of these funds are included on the balance sheet. Fund equity, (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

C. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits, with maturities of three months or less. Under state law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana, or United States bonds, treasury bills and notes, or certificates.

D. RESTRICTED ASSETS

Certain proceeds of the Enterprise Fund general obligation 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 include revenue bond reserve accounts.

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements (Continued)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

E. FIXED ASSETS AND LONG-TERM LIABILITIES

The fixed assets and long-term liabilities of the water district are accounted for on the balance sheet of the Enterprise Fund. The fixed assets of the district as shown on the balance sheet are recorded at historical cost. Depreciation is computed by the straight line method based on the estimated useful life of the individual assets.

F. INVENTORY

Inventories are valued at cost. Inventories in the Enterprise Fund consist of expendable supplies held for use in repairs and extending water mains of the waterworks district. The cost is recorded as an expense at the time the item is purchased. At year end the physical inventory is adjusted to expenses and carried on the balance sheet as a current asset.

G. VACATION AND SICK LEAVE

The Cameron Parish Waterworks District No. 9 has the following policy related to vacation and sick leave:

Employees of the District accrue from 5 to 25 days annual leave each year depending on length of service. Upon resignation or retirement, unused annual leave is paid to the employee at the employee's current rate of pay. In addition, employees accrue from 12 to 18 days of sick leave each year depending on length of service. Upon resignation or retirement, unused sick leave is forfeited.

H. ACCOUNTS RECEIVABLE WRITE OFF METHOD

The District has adopted a write off policy wherein any account that is deemed uncollectible is written off directly when the account's collection efforts have been deemed unsuccessful.

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements (Continued)

NOTE 2--CASH AND CASH EQUIVALENTS

Under state law, the District may deposit funds with 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 United States bonds, treasury notes, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment.

At December 31, 1998, the District had cash and investments as follows:

	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
Cash (demand deposits) and certificate of deposit	\$ <u>68,587</u>	\$ <u>6,335</u>	\$ <u>74,922</u>

At year end, the carrying amount of the District's deposits (demand deposits and certificates of deposit) were \$74,922, and the bank balances were \$73,167. Included in the book balance is \$150 in petty cash. A summary of collateralization of bank balances is presented below.

Insured (Federal deposit insurance)	\$ 73,167
Uncollateralized (In accordance with GAAP - See below)	---
	<u>\$ 73,167</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 at least equal the amount on deposit with the fiscal agent.

NOTE 3--RECEIVABLES

Receivables at December 31, 1998 consist of the following:

Ad valorem taxes--unrestricted	\$164,734
Ad valorem taxes--restricted	5,197
Accounts	11,966
Federal revenue sharing	<u>922</u>
Net total receivables	<u>\$182,819</u>



CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements (Continued)

NOTE 3--RECEIVABLES (Continued)

The amount included in the ad valorem receivables on the balance sheet is for ad valorem taxes which attach as an enforceable lien on property as of January 1 of each year. Taxes are levied to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The District utilizes the Cameron Parish Tax Collector/Sheriff to bill and collect its property taxes for debt services purposes using the assessed values determined by the tax assessor of Cameron Parish.

Restricted ad valorem taxes are dedicated toward debt retirement listed in Note 5.

For the year ended December 31, 1998, taxes of 6.54 mills were levied on property with assessed valuation totaling \$26,403,548.

The total amount levied was \$172,680. Furthermore, collections of delinquent taxes and other adjustments resulted in total collections of \$137,058.

NOTE 4--CHANGES IN FIXED ASSETS

The following is a summary of changes in fixed assets as of December 31, 1998:

	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than buildings</u>	<u>Furniture, fixtures &amp; equipment</u>	<u>Total</u>
Balance, 12/31/97	\$20,000	\$ 508,478	\$4,275,118	\$169,267	\$4,972,863
Additions	---	---	103,401	24,123	127,524
Deletions	---	---	---	(28,033)	(28,033)
Balance, 12/31/98	20,000	508,478	4,378,519	165,357	5,072,354
Less: Accumulated depreciation	---	149,889	1,238,955	136,445	1,525,289
Net fixed assets 12/31/98	<u>\$20,000</u>	<u>\$ 358,589</u>	<u>\$3,139,564</u>	<u>\$ 28,912</u>	<u>\$3,547,065</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements (Continued)

NOTE 4--CHANGES IN FIXED ASSETS (Continued)

The following estimated useful lives are used to compute depreciation:

Buildings	45 years
Improvements other than buildings	45 years
Furniture, fixtures and equipment	3-11 years

NOTE 5--CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Cameron Parish Waterworks District No. 9 for the year ended December 31, 1998:

Bonds payable, Dec 31, 1997	\$ 25,000
Bonds retired: 1998	<u>    </u>
Bonds payable, Dec. 31, 1998	25,000
Less: current portion	<u>(5,000)</u>
Long-term portion at Dec. 31, 1998	<u>\$ 20,000</u>

Bonds payable at December 31, 1998 are comprised of the following:

\$1,950,000 of general obligation bonds dated April 1, 1983; due in annual installments of \$5,000 - \$290,000 through 2003; interest at 8.25 - 9.50%	<u>\$ 25,000</u>
---	------------------

The annual requirements to amortize all general obligation bonds outstanding as of December 31, 1998, including interest payments of \$5,937 are as follows:

<u>Year Ending</u>	
1999	\$ 7,137
2000	6,663
2001	6,188
2002	5,712
2003	<u>5,237</u>
Total	<u>\$ 30,937</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements (Continued)

NOTE 5--CHANGES IN LONG-TERM DEBT (Continued)

During the year ended December 31, 1996, the District entered into the a five year loan agreement with Cameron State Bank and borrowed \$150,000 at 4.88% to help finance a new water well.

Under the terms of the agreement the District will pay an annual payment of \$33,507 on January 31st of each year from 1998 through 2001.

The following is a summary of the note payable transaction for the year ended December 31, 1998:

Note payable - January 1, 1998	\$ 119,209
Less: principal payments	<u>(27,714)</u>
Balance - December 31, 1998	<u>\$ 91,495</u>

The annual requirements to amortize the debt as of December 31, 1998, including interest of \$9,026 are as of follows:

<u>Year Ended</u>	
1999	\$ 33,507
2000	33,507
2001	<u>33,507</u>
Total	<u>\$100,521</u>

NOTE 6--CONTRIBUTED CAPITAL

Changes during the year ended December 31, 1998 in the contributed capital account are as follows:

Balance, 12/31/97	\$1,636,273
Depreciation of assets acquired by contributed capital	<u>(49,896)</u>
Balance, 12/31/98	<u>\$1,586,377</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements (Continued)

NOTE 7--RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

	<u>LIMITS OF COVERAGE</u>
Workmen's compensation	\$ 225,000
Auto liability	1,000,000
Commercial general liability	2,000,000
District-owned buildings and equipment	989,647

The District covers all other losses, claim settlements, and judgments from operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The District was not involved in any litigation nor did it have asserted claims lodged against it.

NOTE 8--RETAINED EARNINGS-RESERVED

The \$5,770 in reserved retained earnings represents the allocated portion of retained earnings dedicated to general obligation bond debt service.

SUPPLEMENTARY INFORMATION

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Compensation of Board Members

For the year ended December 31, 1998

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Legislature.

As provided by Louisiana Revised Statute 33:4564, the board members received \$60 per diem for attendance at meetings of the board in 1995.

	<u>1998</u>	
	<u>Number</u>	
	<u>Attended</u>	<u>Amount</u>
Curtis Nunez	14	\$ 840
Melvin Theriot	13	780
Wendell Rutherford	11	660
Jeanette Savoie	13	780
John A. Conner	11	<u>660</u>
Totals		<u>\$3,720</u>

See independent auditor's report.

Cameron Parish Waterworks District No. 9  
SCHEDULE OF PRIOR YEAR FINDINGS

For the Fiscal Year Ended December 31, 1998

**SECTION I            INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

The audit report for the year ended December 31 1997, contained a finding related to the report not being issued within the six months of the close of its' December 31, 1997 year-end. This was a violation of LA R.S. #24:513 (A)(5)(a), but did not effect the financial statements. The current year report will be issued to the Legislative Auditor within the statutory period.

**SECTION II            INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS**

There were no prior year findings relating to internal control and compliance material to federal awards.

**SECTION III            MANAGEMENT LETTER**

There was no management letter with prior year audit report.

See independent auditor's report.

Cameron Parish Waterworks District No. 9  
MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Fiscal Year Ended December 31, 1998

**SECTION I            INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENT**

N/A

**SECTION II           INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS**

N/A

**SECTION III          MANAGEMENT LETTER**

N/A

See independent auditor's report.



Cameron Parish Waterworks District No. 9  
Required Supplemental Information  
Year 2000 Supplementary Information  
December 31, 1998

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the District's operations as early as fiscal year 1999.

The District has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting District operations and has identified such systems as being financial reporting, water accounts receivable, and cash receipts.

The District's water billing hardware and software is now Year 2000 compatible as well as its accounting hardware and software.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of the related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be Year 2000 ready.

See independent auditor's report.