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WARDS 5 & 8 JOINT SEWERAGE COMMISSION
OF THE
PARISH OF ST. MARY
STATE OF LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

SEPTEMBER 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 3/10/99

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ADAMS & JOHNSON

CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 729 • 517 WISE STREET

PATTERSON, LOUISIANA 70392

(504) 395-9545

HERBERT J. ADAMS, JR., C.P.A.

WILLIAM H. JOHNSON, III, C.P.A.

MEMBERS:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Wards 5 & 8 Joint Sewerage Commission
of the Parish of St. Mary
State of Louisiana
P.O. Box 181
Berwick, Louisiana 70342

We have audited the accompanying financial statements of the Wards 5 & 8 Joint Sewerage Commission, a joint venture of the Town of Berwick, City of Patterson, Sewerage District No. 2 and Sewerage District No. 8 of the Parish of St. Mary, State of Louisiana, as of and for the years ended September 30, 1998 and 1997, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Wards 5 & 8 Joint Sewerage Commission as of September 30, 1998 and 1997, and the results of its operations and the cash flows for the proprietary fund for the years then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information as listed in the table of contents, while not considered necessary for a fair presentation of the financial statements, is presented as supplementary analytical data. Such information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to

auditing procedures applied in the audit of the financial statements, and in our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated January 5, 1999 on our consideration of Wards 5 & 8 Joint Sewerage Commission's compliance and on internal control over financial reporting based on an audit of the financial statements.

Adams & Johnson
ADAMS & JOHNSON
Certified Public Accountants

Patterson, Louisiana
January 5, 1999

WARDS 5 & 8 JOINT SEWERAGE COMMISSION
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

BALANCE SHEET - PROPRIETARY FUND TYPE
September 30, 1998 and 1997

	<u>9-30-98</u>	<u>9-30-97</u>
ASSETS		
Cash	\$ 464,241	\$ 371,787
Deposits	2,402	2,402
Due from other governmental units	70,559	101,518
Prepaid insurance	11,083	10,406
Property, plant & equipment - Net of accumulated depreciation	<u>448,101</u>	<u>405,151</u>
TOTAL ASSETS	\$ 996,386 =====	\$ 891,264 =====
LIABILITIES, EQUITY AND OTHER CREDITS		
LIABILITIES		
Accounts payable	\$ <u>30,380</u>	\$ <u>39,928</u>
TOTAL LIABILITIES	\$ 30,380	\$ 39,928
EQUITY AND OTHER CREDITS		
CONTRIBUTED CAPITAL		
Governmental	\$ 99,110	\$ 99,110
RETAINED EARNINGS		
Unreserved	<u>866,896</u>	<u>752,226</u>
TOTAL EQUITY AND OTHER CREDITS	<u>966,006</u>	<u>851,336</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 996,386 =====	\$ 891,264 =====

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

WARDS 5 & 8 JOINT SEWERAGE COMMISSION
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
For the Years Ended September 30, 1998 and 1997

	<u>9-30-98</u>	<u>9-30-97</u>
OPERATING REVENUES		
Charges for services -		
Sewer treatment charges	\$ 505,698	\$ 501,694
OPERATING EXPENSES		
Advertising	\$ ---	\$ 235
Miscellaneous	174	70
Insurance	23,486	26,470
Lab fees	22,925	17,575
Salaries - maintenance	67,737	61,046
Clerical services	3,900	3,900
Accounting	583	635
Audit	3,095	2,895
Utilities	137,226	133,416
Telephone	6,554	6,610
Maintenance - sewer system	41,787	69,321
Grass cutting	7,610	8,905
Retirement	5,295	4,658
Taxes	595	381
Office supplies	1,669	1,612
Truck expenses	4,849	4,169
Chemicals	11,200	20,768
Supplies	7,660	8,468
Board meetings	3,000	3,000
Engineering fees	10,237	7,798
Depreciation	40,024	33,602
Water surveillance	---	5,220
Uniforms	<u>1,491</u>	<u>1,417</u>
 Total Operating Expenses	 <u>401,097</u>	 <u>422,171</u>
 OPERATING INCOME	 \$ 104,601	 \$ 79,523

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

WARDS 5 & 8 JOINT SEWERAGE COMMISSION
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
For the Years Ended September 30, 1998 and 1997

	<u>9-30-98</u>	<u>9-30-97</u>
NON-OPERATING REVENUES AND EXPENSES		
Interest income	\$ <u>10,069</u>	\$ <u>9,451</u>
Total Non-Operating Revenues and Expenses	<u>10,069</u>	<u>9,451</u>
 NET INCOME	 \$ 114,670	 \$ 88,974
 RETAINED EARNINGS		
Beginning of year	<u>752,226</u>	<u>663,252</u>
End of year	\$ 866,896 =====	\$ 752,226 =====

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

WARDS 5 & 8 JOINT SEWERAGE COMMISSION
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
For the Years Ended September 30, 1998 and 1997

	<u>9-30-98</u>	<u>9-30-97</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from service users	\$ 536,657	\$ 454,127
Cash payments to employees	< 67,737>	< 61,046>
Cash payments for operating services	<u><303,561></u>	<u><309,789></u>
Net cash provided by operating activities	\$ 165,359	\$ 83,292
CASH FLOWS (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	\$< <u>82,974</u> >	\$< <u>66,655</u> >
Net cash <used> for capital and related financing activities	< 82,974>	< 66,655>
CASH FLOWS FROM NON-OPERATING REVENUES AND EXPENSES:		
Interest income	<u>\$ 10,069</u>	<u>\$ 9,451</u>
Net cash provided by nonoperating revenues and expenses	<u>10,069</u>	<u>9,451</u>
Net increase in cash equivalents	\$ 92,454	\$ 26,088
Cash and cash equivalents at beginning of year	<u>371,787</u>	<u>345,699</u>
Cash and cash equivalents at end of year	\$ 464,241 =====	\$ 371,787 =====

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

WARDS 5 & 8 JOINT SEWERAGE COMMISSION
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
For the Years Ended September 30, 1998 and 1997

	<u>9-30-98</u>	<u>9-30-97</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 104,601	\$ 79,523
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	40,024	33,602
CHANGE IN ASSETS AND LIABILITIES:		
<Increase> decrease due from governmental units	30,959	<47,567>
<Increase> decrease in prepaid expenses	<677>	5,714
Increase <decrease> in accounts payable	<u><9,548></u>	<u>12,020</u>
Net cash provided by operating activities	\$ 165,359 =====	\$ 83,292 =====

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

WARDS 5 & 8 JOINT SEWERAGE COMMISSION
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
September 30, 1998 and 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wards 5 & 8 Joint Sewerage Commission was established in May, 1984, by intergovernmental agreement joint venture between the participants, the Town of Berwick, the City of Patterson, the Parish of St. Mary, and Sewerage District No. 2 of the Parish of St. Mary, State of Louisiana. The Commission's sole responsibility and duty is to maintain, operate, and administer the sewerage treatment facility that is jointly owned by the participants.

During the year ended September 30, 1995, the St. Mary Parish Council entered into an agreement to transfer their ownership interest in the sewerage treatment facility to two of the Parish Council's component units, Sewerage District No. 2 and Sewerage District No. 8. Both of these component units of the Parish of St. Mary are currently participants in the funding of the operations of Wards 5 & 8 Joint Sewerage Commission.

The following participants funded the operations of Wards 5 & 8 Joint Sewerage Commission as of September 30, 1998 & 1997:

1. Town of Berwick
2. City of Patterson
3. Sewerage District No. 2
4. Sewerage District No. 8

The accounting and reporting policies of the Commission conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidelines set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A) Fund Structure:

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

accounts is maintained for the purpose of carrying on specific activities, or attaining certain objectives in accordance with special regulations, restrictions or limitations.

PROPRIETARY FUND TYPE

Internal Service Fund - An Internal Service Fund is used to account for the financing of special activities and services performed by a designated organizational unit within governmental jurisdictions for other organizational units within the same governmental jurisdictions.

B) Basis of Accounting:

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. The Commission's accounting system uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C) Investments:

Investments are carried at the lower of cost or market.

D) Accumulated Vacation, Compensatory Time, and Sick Leave:

Accumulated vacation, compensatory time, and sick leave are recorded as an expenditure of the period in which earned. At September 30, 1998 and 1997, unrecorded liabilities for the above are an immaterial amount, and therefore are not reflected in the financial statements.

E) Property, Plant, and Equipment:

Property, plant, and equipment are stated at cost. Additions, improvements, and expenditures that add materially to productive capacity, or extend the life of an asset, are capitalized.

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

Equipment	10 - 15 years
Building & Improvements	10 - 40 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F) Statement of Cash Flows:

For purposes of the statement of cash flows, Wards 5 & 8 Joint Sewerage Commission considers all cash or investments (certificates of deposits) with a maturity of twelve months or less when purchased to be cash equivalents.

NOTE 2 - CASH AND INTEREST-BEARING DEPOSITS

Statutes authorize the Commission to invest in certificates of deposit, repurchase agreements, passbook savings, bankers acceptances and other available bank investments provided that approved securities are pledged to secure those funds in deposit, as required. Cash and interest-bearing deposits as of September 30, 1998 and 1997 were \$464,241 and \$371,787.

Respectively, the carrying amount (cost) and bank balance were the same amount and the total cash and interest-bearing deposits were covered by insurance provided by the Federal Deposit Insurance Corporation or the Federal Savings & Loan Insurance Corporation as well as pledged securities owned by the banks.

The Commission's investments are categorized to give an indication of level of risk assumed by the Commission at year end. All of the Commission's investments are considered Category 1 which includes investments that are insured or registered or for which the securities are held by the Commission or its agent in the Commission's name.

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units are amounts due from each participant for unpaid user fees of the sewerage system. Amounts due from other governmental units consisted of the following:

	September 30 <u>1998</u>	September 30 <u>1997</u>
Sewerage District No. 2 -		
Sewerage Treatment Fees	\$ 25,506	\$ 22,460
Sewerage District No. 8 -		
Sewerage Treatment Fees	6,814	10,554
Town of Berwick -		
Sewerage Treatment Fees	13,164	31,851
City of Patterson -		
Sewerage Treatment Fees	<u>25,075</u>	<u>36,653</u>
Total	\$ 70,559 =====	\$ 101,518 =====

NOTE 4 - CHANGES IN PROPERTY, PLANT AND EQUIPMENT

Depreciation was \$40,024 and \$33,602 for the years ended September 30, 1998 and 1997.

Property	Balance 9-30-97	Additions	Disposals	Balance 9-30-98
Equipment	\$ 210,102	\$ 43,274	\$< 1,714>	\$251,662
Vehicles	29,263	---	---	29,263
Buildings & Improvements	<u>353,854</u>	<u>39,700</u>	<u>---</u>	<u>393,554</u>
Total	\$ 593,219	\$ 82,974	\$< 1,714>	\$674,479
Accumulated Depreciation	<u><188,068></u>	<u><40,024></u>	<u>1,714</u>	<u><226,378></u>
Property, Plant & Equipment Net of Accum. Depreciation	\$ 405,151 =====			\$448,101 =====

NOTE 5 - BOARD OF COMMISSIONERS

The Board of Commissioners consists of five members, one each appointed by the Town of Berwick, the City of Patterson, Sewerage District No. 2, and two appointed by the Parish Council.

NOTE 6 - CONTRIBUTED CAPITAL

The following is a list of the total contributions received from the following governmental units as of September 30, 1998 and 1997.

	September 30 1998	September 30 1997
Sewerage District No. 8	\$ 4,518	\$ 4,518
Town of Berwick	27,993	27,993
City of Patterson	31,292	31,292
St. Mary Parish Council	15,820	15,820
Sewerage District No. 2	<u>19,487</u>	<u>19,487</u>
Total Contributed Capital	\$ 99,110 =====	\$ 99,110 =====

NOTE 7 - PENSION PLAN

Wards 5 & 8 Joint Sewerage Commission has three employees. All of the employees are covered under the Employees Parochial Retirement System of Louisiana. The Commission's contribution to this plan totaled \$5,295 and \$4,658 for the years ended September 30, 1998 and 1997.

All full-time eligible employees of the Wards 5 & 8 Joint Sewerage Commission are members of the Parochial Employees Retirement Systems of Louisiana, a multiple-employer (cost-sharing) public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans. Plan A and Plan B, with separate assets and benefit provisions. All eligible employees of the Wards 5 & 8 Joint Sewerage Commission are members of Plan A.

All eligible employees working at least 28 hours per week who are paid wholly or in part from Wards 5 & 8 Joint Sewerage Commission funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Covered employees are required by the State Legislature to contribute 9.50% of their gross salary to the plan. The Commission was required by the same statute to contribute 7.75% in 1998 and 7.75% in 1997 of each employee's gross salary to the plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee Retirement System, Post Office Box 14619, Baton Rouge Louisiana 70898-4619 or by calling (504) 928-1361.

NOTE 8 - SEWERAGE FEES

In order to defray the cost of maintaining the system, Wards 5 & 8 Joint Sewerage Commission charges each participant a \$1 fee per one thousand gallons of water consumed by each participant's water customers. The Commission has set aside 15 cents on each dollar collected in a money market account specifically for any repairs paid by the Commission. The other 85 cents goes toward the other operating expenses such as utilities, salaries, etc. As of September 30, 1998 & 1997, the balance in the repair & maintenance account was \$12,773 and \$ 60,226.

NOTE 9 - YEAR 2000 ISSUE

According to GASB Technical Bulletin No. 98-1 "the year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely effect the government's operations as early as fiscal year 1999" Wards 5 & 8 Joint Sewerage Commission has not yet inventoried their electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the Commission's operations. It is unknown as of September 30, 1998, what effects, if any, failing to remediate any such systems will have upon the Commission's operations.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of the remediation efforts will not be fully determinable until the year 2000 and thereafter. Therefore, management cannot assure that the Commission is or will be ready, that their remediation efforts will be successful in whole or in part, or that the parties with whom they do business will be year 2000 ready.

NOTE 10 - REPORTING ENTITY

Wards 5 & 8 Joint Sewerage Commission was established by a joint venture between the Town of Berwick, City of Patterson, Parish of St. Mary and Sewerage District No. 2 of the Parish of St. Mary, State of Louisiana. The Commission's sole purpose is to maintain and operate the Sewerage System. Each participant accounts for their equity interest in Wards 5 & 8 Joint Sewerage Commission on their own financial statement.

SUPPLEMENTARY INFORMATION

WARDS 5 & 8 JOINT SEWERAGE COMMISSION
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

SCHEDULE OF INSURANCE IN FORCE
For the Years Ended September 30, 1998 and 1997
(Unaudited)

September 30, 1998

<u>Insurer</u>	<u>Type of Insurance</u>	<u>Coverage</u>		<u>Exp. Date</u>
CNA Ins Co.	Public Officials Errors & Omissions	Aggregate	\$ 1,000,000	10-21-98
All State Co.	Commercial Property	Building & Contents	\$ 264,050 1,423,250	7-2-99
CNA Ins. Co.	Auto	Combined	\$ 1,000,000	7-2-99
CNA Ins. Co.	Worker's Compensation	Ea. Accident Aggregate	\$ 1,000,000 \$ 1,000,000	7-2-99
CNA Ins. Co.	General Liability	Aggregate Ea. Occurrence	\$ 2,000,000 1,000,000	7-2-99

September 30, 1997

<u>Insurer</u>	<u>Type of Insurance</u>	<u>Coverage</u>		<u>Exp. Date</u>
All State Ins.	Commercial Property	Building Contents	\$ 264,050 1,418,750	7-2-98
CNA Ins. Co.	Auto	Combined	\$ 1,000,000	7-2-98
CNA Ins. Co.	Worker's Compensation	Ea. Accident Aggregate	\$ 1,000,000 \$ 1,000,000	7-2-98
CNA Ins. Co	Public Officials Errors & Omissions	Aggregate	\$ 1,000,000	10-21-97
CNA Ins. Co.	General Liability	Aggregate Ea. Occurance	\$ 2,000,000 \$ 1,000,000	7-2-98

WARDS 5 & 8 JOINT SEWERAGE COMMISSION
OF THE
PARISH OF ST. MARY
STATE OF LOUISIANA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

YEARS ENDED SEPTEMBER 30, 1998 and 1997

ADAMS & JOHNSON

CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 729 • 517 WISE STREET

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Wards 5 & 8 Joint Sewerage Commission
Parish of St. Mary
P.O. Box 181
Berwick, Louisiana 70342

We have audited the basic financial statements of the Wards 5 & 8 Joint Sewerage Commission for the years ended September 30, 1998 and 1997, and have issued our report thereon dated January 5, 1999. We conducted our 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 Wards 5 & 8 Joint Sewerage Commission's basic financial statements are free of material misstatement, we 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 the objective of our audit and accordingly, we do not express such an opinion. The results of our 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 our audit, we considered Wards 5 & 8 Joint Sewerage Commission's internal control over financial reporting in order to determine our auditing procedures for the purposes of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving internal control over financial reporting and its operation that we consider to be reportable conditions.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect Wards 5 & 8 Joint Sewerage Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements.

Finding:

Our examination disclosed that there is not any segregation of duties within the Commission's accounting function, (especially in the areas of cash receipts, bank reconciliations, and cash disbursements). This weakness is due to the fact that the Commission sub-contracts out this bookkeeping function to an accountant. Due to the lack of segregation of duties, possible errors or irregularities could occur in the accounting records and not be detected. Understandably, since the Commission doesn't have any employees hired to handle the accounting function and they sub-contract this service out, the most ideal system of internal control or the most desirable accounting system may not be practicable. Also the cost of hiring employees to handle the accounting function might exceed any benefits gained. The management of the Commission is well aware of the loss of internal control that results with their sub-contracting of the accounting functions and are constantly on watch for any problems that would occur.

Recommendation:

Based upon the cost-benefit of hiring accounting personnel, it may not be feasible to achieve complete segregation of duties. We recommend management continue to closely monitor all records and transactions.

Management Response:

No response is considered necessary.

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 function.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

This report is intended solely for the use of management, the participants, and the Louisiana Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Wards 5 & 8 Joint Sewerage Commission is a matter of public record.

Adams & Johnson

ADAMS & JOHNSON
Certified Public Accountants

Patterson, Louisiana
January 5, 1999