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**SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL**  
*Morgan City, Louisiana*

*General Purpose Financial Statements  
As of and for the Year Ended  
September 30, 1998  
With Supplemental Information Schedule*

*Reissued*

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 11/5/98

**T.S. KEARNS & CO.**  
**CPA**

(A Professional Corporation)  
Timothy S. Kearns, MBA, CPA  
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**SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana**

**General Purpose Financial Statements  
As of and for the Year Ended September 30, 1998  
With Supplemental Information**

**C O N T E N T S**

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TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

3-17-99  
(Date)

Office of Legislative Auditor  
Attention: Ms. Dorothy Milner  
1600 North Third  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Ms. Milner:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Sewerage District No. 1 of St. Mary Parish as of and for the year ended September 30, 1998. The report includes all funds under control and oversight of the district. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,



Name: \_\_\_\_\_

Title: Chairman

Enclosure

SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
St. Mary Parish, Louisiana

ANNUAL SWORN FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1998

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Office of Legislative Auditor within 90 days after the close of the fiscal year.

=====

A F F I D A V I T

Personally came and appeared before the undersigned authority,  
Robert A. Taylor, Jr., who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the

SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
as of September 30, 1998,

and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

Robert A. Taylor, Jr.  
Signature

Sworn to and subscribed before me, this 17 day of March, 1999.

Barry B. Folicheaux  
NOTARY PUBLIC

=====

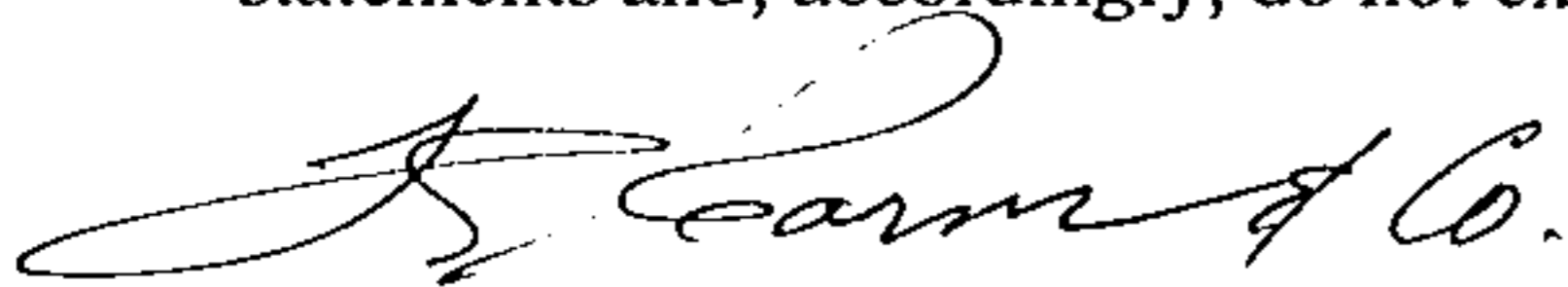
Officer Robert A. Taylor, Jr.  
                    Chairman  
Address 206 Chenault St  
Morgan City, La. 70380  
Telephone No. 504-385-2884

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

**Board of Supervisors  
SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana**

We have compiled the accompanying general purpose financial statements of the Sewerage District No. 1 of St. Mary Parish, a component unit of the St. Mary Parish Council, as of September 30, 1998, and for the year then ended. The financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

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 financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Febrary 6, 1999

**SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUPS**

**Balance Sheet  
September 30, 1998**

	Governmental Fund- General Fund	Account Group -General Fixed Assets	Total (Memorandum Only)
<b>ASSETS</b>			
Cash & cash equivalents	\$ 58,320.35	\$ 0.00	\$ 58,320.35
Land	0.00	6,600.00	6,600.00
Sewerage system	0.00	679,623.13	679,623.13
Building & improvements	0.00	12,783.20	12,783.20
Equipment	0.00	472.49	472.49
Office equipment	0.00	1,000.00	1,000.00
<b>Total assets</b>	<u>\$ 58,320.35</u>	<u>\$ 700,478.82</u>	<u>\$ 758,799.17</u>
 <b>LIABILITIES AND EQUITY</b>			
Liabilities:			
Accounts payable	\$ 242.60	\$ 0.00	\$ 242.60
Intergovernmental transfers	<u>53,293.19</u>	<u>0.00</u>	<u>53,293.19</u>
<b>Total liabilities</b>	<u>53,535.79</u>	<u>0.00</u>	<u>53,535.79</u>
Equity:			
Investment in fixed assets	0.00	700,478.82	700,478.82
Fund balance - unreserved - undesignated	<u>4,784.56</u>	<u>0.00</u>	<u>4,784.56</u>
<b>Total equity</b>	<u>\$ 4,784.56</u>	<u>\$ 700,478.82</u>	<u>\$ 705,263.38</u>
<b>Total liabilities and equity</b>	<u>\$ 58,320.35</u>	<u>\$ 700,478.82</u>	<u>\$ 758,799.17</u>

See accompanying notes & accountant's compilation report.

**SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana  
GOVERNMENTAL FUND - GENERAL FUND**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the year ended September 30, 1998**

<b>REVENUES</b>	
Ad valorem tax	\$ 37,472.88
Interest	884.56
Louisiana DOTD grant	21,900.37
Miscellaneous	<u>754.53</u>
Total revenue	<u>\$ 61,012.34</u>
<b>EXPENDITURES</b>	
Advertising	\$ 111.39
Bank charges	50.40
Bookkeeper/secretary	4,200.00
Insurance	3,945.84
Legal & accounting	2,218.50
Office expenses	10.40
Per diems	2,040.00
Post office box	58.00
Intergovernmental transfers	53,293.19
Capital outlay - sewerage sys	<u>21,882.47</u>
Total expenditures	<u>\$ 87,810.19</u>
Excess (deficiency) of revenues over expenditures	\$ (26,797.85)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>31,582.41</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$ 4,784.56</u></u>

See accompanying notes & accountant's compilation report.



**SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana  
GOVERNMENTAL FUND - GENERAL FUND**

**Statement of Revenues, Expenditures, and Changes  
in Fund Balance-Budget (Non-GAAP Basis) and Actual  
For the year ended September 30, 1998**

	<u>BUDGET (NON-GAAP BASIS)</u>	<u>ACTUAL (NON-GAAP BUDGET BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Ad valorem tax	\$ 35,450.00	\$ 37,472.88	\$ 2,022.88
Interest	850.00	884.56	34.56
Louisiana DOTD grant	34,208.00	31,708.10	(2,499.90)
Miscellaneous	<u>754.00</u>	<u>754.53</u>	<u>0.53</u>
Total revenue	<u>\$ 71,262.00</u>	<u>\$ 70,820.07</u>	<u>\$ (441.93)</u>
<b>EXPENDITURES</b>			
Advertising	\$ 150.00	\$ 129.39	\$ 20.61
Bank charges	50.00	50.40	(0.40)
Bookkeeper/secretary	4,200.00	4,200.00	0.00
Insurance	4,130.00	3,937.70	192.30
Legal & accounting	2,200.00	2,218.50	(18.50)
Office expenses	10.00	10.40	(0.40)
Per diems	2,400.00	2,040.00	360.00
Post office box	58.00	58.00	0.00
Intergovernmental transfers	23,856.00	0.00	23,856.00
Capital outlay - sewerage sys	<u>34,208.00</u>	<u>32,940.20</u>	<u>1,267.80</u>
Total expenditures	<u>\$ 71,262.00</u>	<u>\$ 45,584.59</u>	<u>\$ 25,677.41</u>
Excess (deficiency) of revenues over expenditures	\$ 0.00	\$ 25,235.48	\$ 25,235.48
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>31,582.41</u>	<u>31,582.41</u>	<u>0.00</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 31,582.42</u>	<u>\$ 56,817.89</u>	<u>\$ 25,235.47</u>

See accompanying notes & accountant's compilation report.



**SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended  
September 30, 1998**

**INTRODUCTION**

Sewerage District No. 1 of St. Mary Parish was created by the St. Mary Parish Council, as authorized by Louisiana Revised Statute 33:3881. The sewerage district is governed by a three-member board of supervisors, appointed by the council. The sewerage district's finances are primarily ad valorem taxes on property located within the district's boundaries, and a grant from the Louisiana Department of Transportation and Development. The sewerage district has in the past provided services to approximately 750 customers. The sewerage system has approximately six and one-half miles of regular sewerage lines, a mile of force feed line, three lift stations, and a waste treatment plant.

In September 1996 the operation and maintenance of the sewerage collection and treatment facilities were assumed by: (a) St. Mary Parish Water and Sewerage Commission No. 1; and (b) City of Morgan City. At that time Sewerage District No. 1 discontinued receiving user fees collected from customers.

Sewerage District No. 1 has applied for and received a grant to extend sewerage collection lines and install necessary lift stations. Sewerage District No. 1 has agreed to transfer, upon completion of the project, ownership of all of its sewerage facilities to the City of Morgan City and to the St. Mary Parish Water and Sewerage Commission No. 1. At that time it is anticipated that Sewerage District No. 1 of St. Mary Parish will be abolished.

Sewerage District No. 1 has also agreed to remit to the City of Morgan City and to the St. Mary Parish Water and Sewerage Commission No. 1 seventy-five (75%) percent of the ad valorem taxes levied which it receives.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of presentation**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended  
September 30, 1998**

**B. Reporting entity**

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the parish council is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the parish council appoints the governing board and because of the scope of public service to the residents of St. Mary Parish, the district was determined to be a component unit of the St. Mary Parish Council, the governing body of the parish and the governing body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

**C. Fund accounting**

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The only fund of the district is the general fund, which is classified as a governmental fund. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The general fund is the general operating fund of the district that accounts for all financial resources, except those required to be accounted for in other funds.

**SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended  
September 30, 1998**

**D. Basis of accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement presents increases and decreases in net current assets. The district's records are maintained on the cash basis of accounting. However, the general fund reported in the financial statements has been converted to the modified accrual basis of accounting using the following practices in recording revenues and expenditures:

**Revenues -**

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest income is recorded when the interest is available.

Louisiana DOTD grant revenue is recognized when the district is entitled to receive the funds as a result of incurring an expenditure in accordance with the terms of the grant, and is therefore reimbursable from the granting agency.

All other revenue are recorded when received.

**Expenditures -**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**E. Budgets**

As required by Louisiana Revised Statutes 39:1303-1305, the district adopted a budget for the General Fund for the year ended September 30, 1998 at a regular meeting held October 6, 1997. Unexpended appropriations lapse at year end, and must be reappropriated in the next year's budget to be expended. The board of supervisors reserves all authority to make changes to the budget.

**F. Encumbrances**

The district does not use encumbrance accounting.



**SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended  
September 30, 1998**

**G. Cash and cash equivalents**

Cash and cash equivalents include amounts in interest-bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**H. Fixed assets**

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical costs or estimated cost if historical cost is not available.

**I. Pension plan and vacation and sick leave.**

The district has no employees; therefore, it has no pension plan or vacation and sick leave policy.

**J. Total columns on statement**

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**NOTE 2. LEVIED TAXES**

The district is authorized to and has levied a 3.99 mill ad valorem tax.

**NOTE 3. CASH AND CASH EQUIVALENTS**

At September 30, 1998, the district has cash and cash equivalents (book balances) totaling \$ 58,320.35 which is one interest-bearing demand deposit. Under state law, this deposit (or resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At September 30, 1998, the district has \$58,511.10 in deposits (collected bank balance). This deposit is secured from risk by federal deposit insurance.

**SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended  
September 30, 1998**

**NOTE 4. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance September 30, 1997	Additions (Capital outlays)	Balance September 30, 1998
Land	\$ 6,600.00	\$ 0.00	\$ 6,600.00
Sewerage system	657,740.66	21,882.47	679,623.13
Building & improvements	12,783.20	0.00	12,783.20
Equipment	472.49	0.00	472.49
Office equipment	1,000.00	0.00	1,000.00
	-----	-----	-----
Total	\$678,596.50	\$ 21,882.47	\$700,478.82
	=====	=====	=====

There were no retirement of assets for the year ended September 30, 1998.

**NOTE 5. LOUISIANA DOTD GRANT**

This grant was received from the Louisiana Department of Transportation and Development (DOTD) in accordance with State Project No. 716-51-0001 Cooperative Endeavor Agreement. Act 45 of the 1994, Regular Session of the Louisiana Legislature appropriated \$275,000.00 to the DOTD to administer the financing of a project which consists generally of planning, construction and installation of a sewer system in St. Mary Parish Sewer District No. 1. The cost of the project incurred by the district are reimbursable under the agreement. For the year ended September 30, 1998, \$21,882.47 of expenditures were incurred and have been reimbursed by DOTD. For the years ended September 30, 1997, 1996 and 1995 all expenditures incurred, which amounted to \$214,196.43 have been reimbursed by DOTD. The total of this grant expended to date is \$236,078.90.

**NOTE 6. LOCAL SERVICES AGREEMENT**

In September 1996, Sewerage District No. 1 entered into a Local Services Agreement to have the operation and maintenance of the sewerage collection and treatment facilities assumed by: (a) St. Mary Parish Water and Sewerage Commission No. 1; and (b) City of Morgan City. As part of the agreement, Sewerage District No. 1 agreed to remit to the Commission and City, seventy-five (75%) percent of the receipt of ad valorem taxes levied, in the proportion which the total assessed valuation of that portion of Sewerage District No. 1 being transferred to the City and that portion being transferred to the Commission bears to the total assessed valuation within Sewerage District No. 1. The district

**SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended  
September 30, 1998**

also agreed that the balance of said ad valorem taxes as well as other funds of the district shall be remitted to the Commission and City on the same formula at such time as Sewerage District No. 1 is abolished by the St. Mary Parish Council.

**NOTE 7. LITIGATION AND CLAIMS**

At September 30, 1998 the board had no litigation or claims pending.



**SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULE  
For the year ended September 30, 1998**

**COMPENSATION PAID BOARD OF SUPERVISORS**

The schedule of compensation paid to members of the board of supervisors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 33:3887, each member of the board of supervisors receives a per diem of \$60 for each day of attendance at meetings of the board, up to and including 24 days each year. In addition, each member of the board may receive per diem for attendance of up to and including 12 emergency meetings of the board of supervisors in any one calendar year.

**SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana**

**Schedule of Compensation Paid Board of Supervisors  
For the year ended September 30, 1998**

MEMBER	1998	
	NUMBER	AMOUNT
Robert Taylor (Chairman)	11	\$ 660
Sandra Wilkerson	11	660
Aubry Fields	12	720
 Total		\$ 2,040 =====

**SEWERAGE DISTRICT NO.1 OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana  
Summary Schedule of Prior Audit Findings  
For the Year Ended September 30, 1998**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
97-1	Sep-97	See below	Yes See below		

Description of Finding:

Actual expenditures exceeded budgeted amounts by more than 5% due to the capital outlay project. However, actual revenues exceeded budgeted amounts by more than 5% because the capital outlay expenditures are reimbursed by the Louisiana DOTD. These differences resulted from preparing the budget on the cash basis.

Corrective Action taken:

The district continues to prepare its budget on the cash basis. However, the actual Revenues, Expenditures, and Changes in Fund Balance are adjusted to the Non-GAAP Budget Basis for budget comparison in the financial statements.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

**Board of Supervisors  
SEWERAGE DISTRICT NO. 1  
OF ST. MARY PARISH  
ST. MARY PARISH COUNCIL  
Morgan City, Louisiana**

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Sewerage District No. 1 of St. Mary Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Sewerage District No. 1 of St. Mary Parish's compliance with certain laws and regulations during the year ended September 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 material and supplies exceeding \$15,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$15,000. No expenditures were made for any public works project which totaled more than \$50,000.

*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, except for one board member. That board member did not provide any of the information requested in agreed-upon procedure (2).

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

There were no employees paid during the year. However, there was one sub-contract laborer paid during the year, which was the bookkeeper/secretary.

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 sub-contract laborer was not included in the list provided by management in agreed-upon procedure (2).

#### *Budgeting*

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

Management provided us with a copy of the original budget. The budget was not amended.

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

We traced the adoption of the original budget to the minutes of a meeting held on October 6, 1997, which indicated that the budget had been approved.

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

We compared the revenue and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures did not exceed budgeted amounts by more than 5% for the year.

#### *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

All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the board.

#### *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).

The Sewerage District is only required to post a notice of each meeting and the accompanying agenda on the door of the office building. Management provided us with a copy of the notice for the August 31, 1998 meeting. The notice includes the place, date, time and agenda.

#### *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 the source of all deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

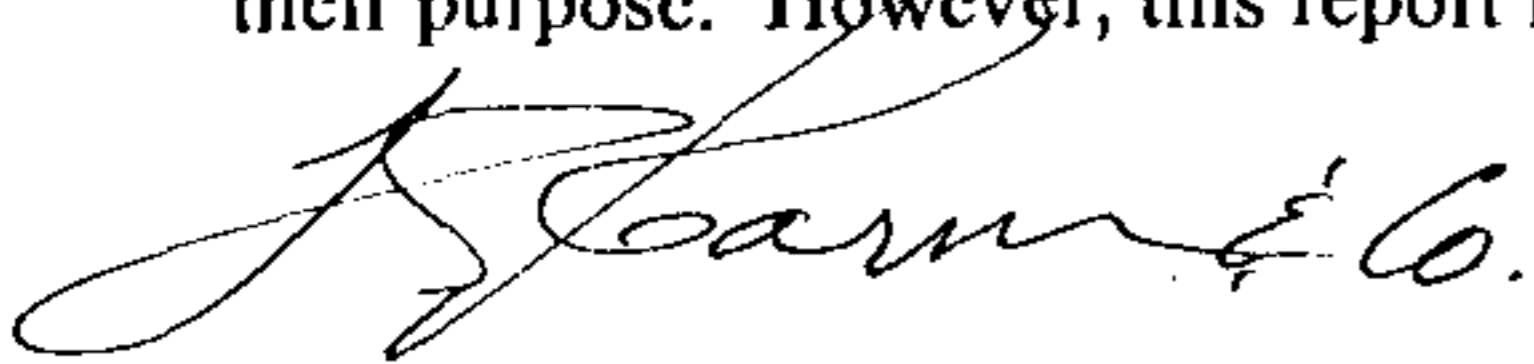
*Advances and Bonuses*

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 the board for the year indicated no approval for the payments noted. We also inspected payments to board members and sub-contract laborers for the year and noted no instances which would indicate payments 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 the management of the Sewerage District No. 1 of St. Mary 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 purpose. However, this report is a matter of public record and its distribution is not limited.



February 6, 1999



**LOUISIANA ATTESTATION QUESTIONNAIRE**  
(For Attestation Engagements of Government)

2/2/99  
(Date Transmitted)

From: Sewerage District No. 1 of St. Mary Parish  
St. Mary Parish Council  
P.O. Box 1215  
Morgan City, LA 70381

To: T.S. Kearns & Co.  
Certified Public Accountants  
501 Canal Boulevard  
Thibodaux, LA 70301

In connection with your compilation of our financial statements as of September 30, 1998 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 the date this questionnaire is signed.

**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.

\_\_\_\_\_ Secretary \_\_\_\_\_ Date

\_\_\_\_\_ Treasurer \_\_\_\_\_ Date

Robert A. Taylor Chairman  
President 2/2/99 Date