

REPORT

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

Financial Statements
As of and for the Period
Ended June 30, 2004
with Supplemental Information Schedules

WILLIAM R. DURDEN

Certified Public Accountant

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 12-15-04

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

As of and for the Period Ended June 30, 2004
With Supplemental Information Schedule

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MEMBER
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MEMBER
L.C.P.A.

Board of Commissioners
Washington Parish
Reservoir Commission
Franklinton, Louisiana

I have compiled the accompanying financial statements and supplemental information of the Washington Parish Reservoir Commission, an entity of the State of Louisiana, as of and for the period ended June 30, 2004, 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. I have not audited or reviewed the accompanying financial statements and supplemental information, and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information, on pages 2 through 5 and 16 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.



William R. Durden
Certified Public Accountant

Franklinton, Louisiana
July 30, 2004

Management's Discussion and Analysis

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

Management's Discussion and Analysis

Introduction

The discussion and analysis of the Washington Parish Reservoir Commission's financial performance provides an overview and analysis of the Commission's financial activities for the period ended June 30, 2004. It should be read in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. This discussion and analysis does not include comparative data for prior years, as this information is not available for the first year of implementation of Governmental Accounting Standards Board (GASB) Statement Number 34. Future years will include, when available, comparative analysis of government-wide data.

Financial Highlights

- The assets of the Washington Parish Reservoir Commission exceeded its liabilities at the close of the period ending June 30, 2004 by \$265,091 (net assets). Net assets consist of the following: \$230,220 invested in capital assets, and \$34,871 unrestricted. The unrestricted net assets may be used to meet the Commission's ongoing obligations to complete the reservoir project.
- The Washington Parish Reservoir Commission's total net assets increased by \$265,091 for its first year of operation. The increase can be attributed to the receipt of a state grant, and local government contributions.
- As of June 30, 2004, the Reservoir Commission's governmental funds reported combine ending fund balance of \$34,871.
- At the end of the current period, unreserved undesignated fund balance for the General Fund was \$34,047 or 51% of the total General Fund expenditures

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements. The Commission's basic financial statements are comprised of three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in additions to basic financial statements themselves.

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

Management's Discussion and Analysis

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a board overview of the Commission's finances, in a manner similar to private-sector business. These financial statements are reported using the full accrual accounting methods.

The statement of net assets presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statement of net assets and the statement of activities display information about the Commission as a whole. These statements distinguish between those activities of the Commission that are governmental and those that are considered business type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The modified accrual basis of accounting is used by the governmental funds.

Notes to financial statements. The notes to the financial statements provide required disclosures essential to the understanding of the financial statements. The notes present information about the Commission's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget/actual schedule.

Financial Analysis

Since this is the first reporting period for the Reservoir Commission, we will not be presenting any financial analysis. The Commission was created for the purpose of studying the feasibility of developing a reservoir in Washington Parish and to examine and search for potential sites for such a reservoir.

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

Management's Discussion and Analysis

Budgetary Highlight

The Commission does not have a formal policy for adopting a budget. The Commission did adopt a budget for the period ending June 30, 2004 at Commission 's meeting on July 28, 2003 .

Budget vs. Actual – Period Ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local government's contributions	\$ 80,000	\$ 80,000	\$ -
Economic development contributions	19,000	20,000	1,000
Donation		1,000	1,000
Total Revenues	<u>99,000</u>	<u>101,000</u>	<u>2,000</u>
Expenditures:			
Insurance	5,000		5,000
Travel and promotions	6,000	503	5,497
Capital outlay	5,000		5,000
Professional fees	3,500		3,500
Supplies	3,500	1,213	2,287
Consultant fees	74,500	64,413	10,087
Other	1,500		1,500
Total Expenditures	<u>99,000</u>	<u>66,129</u>	<u>32,871</u>
EXCESS REVENUES OVER			
EXPENDITURES	-	34,871	34,871
FUND TRANSFERS	-	(824)	(824)
EXCESS REVENUES AND			
FUND TRANSFERS	-	34,047	34,047
FUND BALANCE AUGUST 1, 2002	-	-	-
FUND BALANCE JUNE 30, 2004	<u>\$ -</u>	<u>\$ 34,047</u>	<u>\$ 34,047</u>

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

Management's Discussion and Analysis

Capital Assets

At the end of the period June 30, 2004, the Reservoir Commission had \$81,973 Construction in progress. Capital outlays are recorded as expenditures of the Capital Project Fund and as assets in the government-wide financial statement.

Future Economic Plans

The Reservoir Commission's management approach is conservative. The Board of Commissioners actively monitors revenues and expenses and evaluates the costs of proposed projects. During the current period, the Reservoir Commission received a capital project appropriation from the State of Louisiana for \$1,000,000. These funds will be expended over a period of two years. Of the total budget \$795,435 will be used for, engineering, planning, and environmental technical assistance regarding the securing of the U. S. Army Corps of Engineering 404 Permit. The remaining balance of \$204,565 is for land acquisition, and construction.

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH RESERVOIR COMMISSION
 WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana
 Statement of Net Assets
 June 30, 2004

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 34,871
Receivables	154,786
Capital assets	
Construction in progress	<u>230,220</u>
Total Assets	<u>419,877</u>
LIABILITIES	
Current liabilities	154,786
Current long-term liabilities	-
Total Liabilities	<u>154,786</u>
Net Assets	
Invested in capital assets,	230,220
Unrestricted	34,871
Total Net Assets	<u>\$ 265,091</u>

See accountant's compilation report and accompanying notes to the financial statements.

STATEMENT B

WASHINGTON PARISH RESERVOIR COMMISSION
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
STATEMENT OF ACTIVITIES
For the Period Ended June 30, 2004

PROGRAM EXPENDITURES:

Advertisement	\$ 503
Printing	999
Bank fees	65
Postage	149
Consultant fees	64,413
Total Program Expenses	<u>66,129</u>

PROGRAM REVENUES:

State grant	230,220
Contribution from local governments	80,000
<i>Economic development organizations</i>	20,000
Donations	1,000
Net Program Revenues	<u>331,220</u>

Change in Net Assets 265,091

Beginning Net Assets, August 1, 2002 -

Ending Net Assets, June 30, 2004 \$ 265,091

See accountant's compilation report and accompanying notes to financial statements.

STATEMENT C

WASHINGTON PARISH RESERVOIR COMMISSION
 WASHINGTON PARISH GOVERNMENT
 Franklinton, Louisiana
 Balance Sheet
 Governmental Funds
 June 30, 2004

	General Fund	Capital Project Fund	Total Governmental Funds
ASSETS:			
Cash and cash equivalents	\$ 34,047	\$ 824	\$ 34,871
Receivables		154,786	154,786
TOTAL ASSETS	<u>\$ 34,047</u>	<u>\$ 155,610</u>	<u>\$ 189,657</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Accounts payable	-	\$ 154,786	\$ 154,786
Total Liabilities	-	<u>154,786</u>	<u>154,786</u>
EQUITY			
Fund balance - unreserved	34,047	824	34,871
Total Equity	<u>34,047</u>	<u>824</u>	<u>34,871</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 34,047</u>	<u>\$ 155,610</u>	<u>\$ 189,657</u>
Reconciliation:			
Total government funds balance	\$ 34,871		
Invested in capital assets	230,220		
Net assets of government-wide statements	<u>\$ 265,091</u>		

See accountant's compilation report and accompanying notes to financial statements.

STATEMENT D

WASHINGTON PARISH RESERVOIR COMMISSION
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
Statement of Revenues, Expenditures
and Changes in Fund Balance
GOVERNMENTAL FUNDS
For the Period Ended June 30, 2004

	General	Capital Project	Total
REVENUES:			
State grant	\$ -	\$ 230,220	\$ 230,220
Local government's contributions	80,000	-	80,000
Economic development contributions	20,000	-	20,000
Donations	1,000	-	1,000
Total Revenues	<u>101,000</u>	<u>230,220</u>	<u>331,220</u>
EXPENDITURES:			
Advertisement	503	-	503
Printing	999	-	999
Bank fees	65	-	65
Postage	149	-	149
Consultant fees	64,413	-	64,413
Capital outlay	-	230,220	230,220
Total expenditures	<u>66,129</u>	<u>230,220</u>	<u>296,349</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	34,871	-	34,871
Fund transfers	<u>(824)</u>	<u>824</u>	<u>-</u>
EXCESS OF REVENUES AND FUND TRANSFERS	34,047	824	34,871
FUND BALANCE, AUGUST 1, 2002	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2004	<u>\$ 34,047</u>	<u>\$ 824</u>	<u>\$ 34,871</u>
Change in fund balance	\$ 34,871		
Capital assets purchased	230,220		
Change in net assets	<u>\$ 265,091</u>		

See accountant's compilation report and accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

Notes to the Financial Statements
For the Period Ended June 30, 2004

INTRODUCTION:

The Reservoir Commission of Washington Parish, was created by Act 71 under the Louisiana Revised Statute 36:509 (S) and Part XXVI of Chapter 13 Of Title 38 of 1950, to be comprised of R. S. 38:3087.191 through 3087.205. The Act 71 established the following:

1. create the Washington Parish Reservoir Commission a political subdivision and a state agency :
2. provide for a board of commissioners to manage the Reservoir Commission:
3. provide for the powers and duties of the Commission including the power to levy taxes and issue bonds to prohibit certain actions and to provide penalties:
4. provide relative to the Commission's relationship with the Department of Transportation and Development and the Louisiana Wildlife and Fisheries Commission:
5. provide for related matters.

The Commission is composed of eleven members appointed by the governor as follows: Three members appointed from a list of names submitted by each member of the legislative delegation representing the parish of Washington; Seven members, representing each of the seven parish council Commissions, appointed from a list of names submitted by each of the seven members of the parish council; and one member shall be appointed from a list of names submitted by the parish president.

The Commission was created for the purpose of studying the feasibility of developing a reservoir in Washington Parish and to examine and search for potential sites of such a reservoir. The reservoir will enhance the economic development of both the parish and the state. The reservoir will offer opportunities for recreational development and serve the growing demand for water-oriented outdoor recreation. This will attract a greater number of tourists to Washington Parish to enjoy its scenic beauty and recreation potential.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Washington Parish Reservoir Commission have been prepared in conformity with generally accepted accounting principles of the United State of America (GAAP) as applied to government units. This is the first year that the accompanying financial statements have been prepared in conformity with GASB-34. Under GASB-34, a statement of net assets and statement of activities are prepared which are presented on accrual basis of accounting. The significant differences are capital outlay is reported as an assets and depreciated in the government-wide statement. Also long term debts are recorded as liabilities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

Notes to the Financial Statements (Continued)
For the Period Ended June 30, 2004

A. BASIC FINANCIAL STATEMENTS

Government-Wide Statements

The statement of net assets and the statement of activities display information about the Commission as a whole. Assets are stated from most current to least current. Any debt would be stated in current and long-term component.

Fund Financial Statements

During the year, the Commission segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements distinguish between those activities of the Commission that are governmental and those that are considered business type activities.

The Commission uses funds to maintain its financial records during the year. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the Commission are classified as governmental funds. Governmental funds account for the Commission's general activities, including the collection and disbursements of specific or legally restricted monies. Governmental funds of the Commission include:

- a. *General Fund* – the general operating fund of the Commission accounts for all financial resources except those required to be accounted for in other funds.
- b. *Capital Project Fund* – the capital project fund accounts for all financial resources used for the acquisition or construction of major capital facilities. The capital project fund is considered a major fund for government-wide reporting purpose

B. MEASUREMENT FOCUS, BASIC OF ACCOUNTING AND FINANCIAL STATEMENT

The government-wide statements of net assets and statement of activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with operation of these activities are included on the statement of net assets.

The statement of net assets and statement of activities are presented on the accrual basis of accounting. Under this method of accounting exchange, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

Notes to the Financial Statements (Continued)
For the Period Ended June 30, 2004

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. With this measurement of focus, only current assets and current liabilities generally are included on the balance sheet in the fund statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of governmental funds present increases, (revenues, other financing sources), and decreases (expenditures and other financing uses) in current assets.

The modified accrual basis of accounting is used by the governmental funds. The accounting and financial reporting treatment, applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Assets should be recognized when the government has an enforceable lien or legal claim to the resource or the resources are received, whichever occurs first. However, for revenue to be recognized under the modified accrual basis, the measurable and available criteria must also be met. Governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized in the accounting period they become available and measurable. Donations, and grants are recorded when received.

Expenditures

Expenditures are recognized in the accounting period when the fund liability is incurred.

C. ASSETS, LIABILITIES, NET ASSETS OR FUND EQUITY

Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest bearing demand deposits. Under state law, the Commission 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.

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

Notes to the Financial Statements (Continued)
For the Period Ended June 30, 2004

Prepaid Items

The Commission has no prepaid expenses.

Capital Assets

Capital outlays are recorded as expenditures of the General or Capital Project Fund and as assets in the government-wide financial statement. Construction-in-progress is the only asset in the government-wide financial statement. There is no depreciation recorded at this time.

Encumbrances

The Commission does not use encumbrance accounting.

Compensated Absences

The Commission does not have any paid employees; therefore, it does not have a formal leave policy.

Long-Term Obligations

Long-term obligations are reported in the government-wide financial statement.

Net Assets and Fund Equity

In the government-wide statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets, net of related debt, represents capital assets less accumulated depreciation less outstanding principal of any debt related to purchase of capital assets. Net assets invested in capital assets, net related debt does not include the unspent proceeds of capital debt. Restricted net assets represent net assets restricted by parties outside of the Commission. All other net assets are considered unrestricted.

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

Notes to the Financial Statements (Continued)
For the Period Ended June 30, 2004

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

2. BUDGETS

The Commission does not have a formal policy for adopting a budget. The budget for year ending June 30, 2004, was adopted at the Commission's July 28, 2003, regular meeting. The Commission did not amend the budget for June 30, 2004. The budget for year ending June 30, 2005, was adopted at the Commission's June 29, 2004, regular meeting. All appropriations lapse at year-end.

3. CASH AND CASH EQUIVALENTS

At June 30, 2004, the Commission had cash and cash equivalents totaling \$34,871.

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 equal the amount on deposit with the fiscal agent. These securities are to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2004, the Commission had \$34,871. in deposits (collected bank balances). These deposits were secured from risk by \$100,000. of the federal deposit insurance.

4. RECEIVABLES

The receivable consists of \$154,786 which is due from the State of Louisiana.

5. CAPITAL ASSETS

Capital asset activity consists of \$230,220 of construction in progress for the year ended June 30, 2004. The construction in progress consists of consultant fees and engineering fees, etc.

6. Current Liabilities

The Commission has current liabilities in capital project of \$154,786 which consists of earned consultant fees of \$21,603 and earned engineering fees of \$133,183.

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

Notes to the Financial Statements (Continued)
For the Period Ended June 30, 2004

7. GRANT

The Washington Parish Reservoir Commission has received a grant of \$1,000,000 from the State of Louisiana Department of Transportation and Development, for the purpose of studying, land acquisition, planning, and construction of the reservoir. The Commission received contributions from local entities of \$100,000. Four Hundred Thousand Dollars (\$400,000) of the \$1,000,000 grant was an appropriation directly from the state general fund and the remaining \$600,000 was issued by the state bond commission as a cash line of credit. The local contributions consist of the following:

	<u>Contributions</u>
Washington Parish Government	\$ 50,000
City Of Bogalusa	10,000
Rural Development Foundation	10,000
Franklinton Economic Development	10,000
Washington Industrial Development	10,000
Town Of Franklinton	10,000
Total Contributions	<u>\$ 100,000</u>

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH RESERVOIR COMMISSION
WASHINGTON PARISH GOVERNMENT
Franklinton, Louisiana
Budgetary Comparison Schedule
General Fund
For the Period Ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Local government's contributions	\$ 80,000	\$ 80,000	\$ -
Economic development contributions	19,000	20,000	1,000
Donations	-	1,000	1,000
Total Revenues	<u>99,000</u>	<u>101,000</u>	<u>2,000</u>
EXPENDITURES:			
Insurance	5,000	-	5,000
Travel and promotions	6,000	503	5,497
Capital Outlay	5,000	-	5,000
Professional fees	3,500	-	3,500
Supplies	3,500	1,213	2,287
Consultant fees	74,500	64,413	10,087
Other	1,500	-	1,500
Total expenditures	<u>99,000</u>	<u>66,129</u>	<u>32,871</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	34,871	34,871
FUND TRANSFERS	<u>-</u>	<u>(824)</u>	<u>(824)</u>
EXCESS OF REVENUES AND FUND TRANSFERS	-	34,047	34,047
FUND BALANCE, AUGUST 1, 2002	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2004	<u>\$ -</u>	<u>\$ 34,047</u>	<u>\$ 34,047</u>

See accountant's compilation report and accompanying notes to the financial statements.

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
For the Period Ended June 30, 2004

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Board members did not receive compensation during the period under this report.

See accountant's compilation report and accompanying notes to the financial statements.

WILLIAM R. DURDEN

Certified Public Accountant

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FRANKLINTON, LOUISIANA 70438
(985)839-4413
FAX (985)839-4402

MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Washington Parish Reservoir Commission
Franklinton, LA

Gentlemen:

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Washington Parish Reservoir Commission, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Commission's compliance with certain laws and regulations during the period ended June 30, 2004, 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, I make no representations regarding the sufficiency of the procedures described below neither for the purpose for which this report has been requested nor 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 \$100,000, and determine whether such purchases were made in accordance with LAS-RS 38:2211-2251 (the public bid law).

The Commission did not have any purchases that exceed \$15,000 or public works exceeding \$100,000. The Commission complied with public bid law.

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 me with the required list of board members, their immediate family members, and their outside business interests. I scanned cash disbursements journals for any related party transactions, there were none that came to my attention.

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

The Commission does not employ any compensated employees or other personnel at this time, thus there were no payroll records to review.

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 procedure (2) as immediate family members.

This procedure was not performed due to the lack of compensated employees.

Budgeting

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

The Commission did adopt a budget for the period ending June 30, 2004.

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

We traced the Commission's 2003-04 adopted budget to the Commission's minutes. The budget was approved at the meeting of July 28, 2003. The budget was not amended.

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%.

The actual revenues and expenditures did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

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

(a) trace payments to supporting documentation as to proper amount and payee:

I 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;

The six payments I examined were coded to the correct general ledger accounts and proper fund.

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

Inspection of documentation supporting the six selected disbursements indicates approval to purchase from the Board of Commissioners.

Meetings

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

Washington Parish Reservoir Commission is only required to post a notice of each meeting and the accompanying agenda on the door of the District's meeting place. Management has asserted that such documents were properly posted. I examined copies of meeting notices containing date, time, place and business to be conducted, which are filed with the minutes of each meeting.

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.

I inspected copies of all bank deposits for the period under examination and did not note any 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.

I scanned cash disbursement records and minutes for evidence of any payments which may constitute bonuses, advances, or gifts to Commission's members, none were noted. The Commission does not employ any compensated employees.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Washington Parish Fire Protection District No. 9, the Legislative Auditor, State of Louisiana and the Washington Parish Government 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.



William R. Durden
Certified Public Accountant

July 30, 2004

MANAGEMENT'S REPRESENTATIONS

WASHINGTON PARISH RESERVOIR COMMISSION
Franklinton, Louisiana

*Corrective Action Plan for Current Year Findings
For the Period Ended June 30, 2004*

<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>
Section 1 - Independent Accountant's Report on Applying Agreed-Upon Procedures:				
2004-1	2004	Budget requirements not followed-The Commission adopted a budget. But the budget was adopted late.	yes	The district will prepare and adopt a budget. They will also review the budget to actual at least three times per year and amend the budget if applicable.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
_____ (Date Transmitted)

Washington Parish Reservoir Commission
909 Pearl Street
Franklinton, LA 70438
William R. Durden, CPA (Auditor)

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 (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



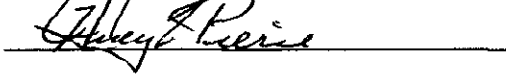
It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974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

	Secretary	<u>7/25/04</u>	Date
	Treasurer	<u>7/29/2004</u>	Date
	President	<u>8/3/2004</u>	Date

Note: If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.