

OFFICIAL
FILE COPY

DO NOT SEND OUT

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

**WAX LAKE EAST DRAINAGE DISTRICT
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA**

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, 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 DEC 22 1999

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined balance sheet - governmental fund type and account group	4
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual - General Fund	5
Notes to financial statements	6-11
SUPPLEMENTAL INFORMATION	
INTERNAL CONTROL AND COMPLIANCE REPORT	
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	14-15
OTHER SUPPLEMENTARY INFORMATION	
Summary Schedule of Prior Year Findings	17
Schedule of Findings and Questioned Costs	18
Management's Corrective Action Plan for Current Year Findings	19



Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Independent Auditor's Report

Board of Commissioners
Wax Lake East Drainage District of the
Parish of St. Mary, State of Louisiana
Patterson, Louisiana

We have audited the accompanying general purpose financial statements of the Wax Lake East Drainage District of the Parish of St. Mary, State of Louisiana, a component unit of the St. Mary Parish Council as of and for the year ended September 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's officials. Our responsibility is to express an opinion on these general purpose 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, issued by the Comptroller General of the United States. 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be in conformity with generally accepted accounting principles. Such required disclosures include:

- any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant;
- a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and
- the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

Eugene H. Darnall, CPA, Retired 1990

E. Larry Sikes, CPA, CVA
Danny P. Frederick, CPA
Clayton E. Darnall, CPA
Eugene H. Darnall, III, CPA
Paula D. Bihm, CPA
Stephanie M. Higginbotham, CPA

Jennifer S. Ziegler, CPA
Chris A. Miller, CPA
John P. Amato, CPA

Kathleen T. Darnall, CPA
Stephen R. Dischler, MBA, CPA
Alan M. Taylor, CPA
Christine A. Raspberry, CPA
Steven G. Moosa, CPA
Erich G. Loewer, Jr., CPA
Erich G. Loewer, III, CPA
Danny P. Pontiff, CPA
Tamera T. Landry, CPA
Carla R. Fontenot, CPA
Raegan D. Stelly, CPA
Jason B. Watson, CPA

Other Locations:

125 Rue Beauregard
Lafayette, LA 70508
318.232.3317

1231 E. Laurel Avenue
Funice, LA 70535
318.457.4146

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
504.384.6264

401 Pere Megret
Abbeville, LA 70510
318.893.5470

dsfepas.com

Member of

American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

The Wax Lake East Drainage District has omitted such disclosures. We do not provide assurance that the Wax Lake East Drainage District is or will be year 2000 ready, that the Wax Lake East Drainage District year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Wax Lake East Drainage District does business will be year 2000 ready.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Wax Lake East Drainage District of the Parish of St. Mary, State of Louisiana, as of September 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 18, 1999, on our consideration of the District's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Wax Lake East Drainage District of the Parish of St. Mary, State of Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the respective general purpose financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Wax Lake East Drainage District of the Parish of St. Mary, State of Louisiana.

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants

Morgan City, Louisiana
November 18, 1999

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

WAX LAKE EAST DRAINAGE DISTRICT OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Combined Balance Sheet - Governmental Fund Type and Account Group
September 30, 1999

	Governmental Fund Type	Account Group General Fixed Assets	Totals (Memorandum Only)	
	General Fund		1999	1998
ASSETS				
Cash	\$ 5,623	\$ -	\$ 5,623	\$ 3,871
Interest-bearing deposits	727,289	-	727,289	673,821
Receivables -				
Accrued interest	1,707	-	1,707	2,691
Other	-	-	-	300
Due from other governmental unit	322	-	322	271
Drainage property, equipment and improvements	<u>-</u>	<u>330,104</u>	<u>330,104</u>	<u>323,158</u>
Total assets	<u>\$ 734,941</u>	<u>\$ 330,104</u>	<u>\$ 1,065,045</u>	<u>\$ 1,004,112</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 6,435	\$ -	\$ 6,435	\$ 16,685
Accrued liabilities	<u>1,193</u>	<u>-</u>	<u>1,193</u>	<u>1,076</u>
Total liabilities	<u>7,628</u>	<u>-</u>	<u>7,628</u>	<u>17,761</u>
Fund equity:				
Investment in general fixed assets	-	330,104	330,104	323,158
Fund balances -				
Unreserved:				
Undesignated	<u>727,313</u>	<u>-</u>	<u>727,313</u>	<u>663,193</u>
Total fund equity	<u>727,313</u>	<u>330,104</u>	<u>1,057,417</u>	<u>986,351</u>
Total liabilities and fund equity	<u>\$ 734,941</u>	<u>\$ 330,104</u>	<u>\$ 1,065,045</u>	<u>\$ 1,004,112</u>

The accompanying notes are an integral part of this statement.

WAX LAKE EAST DRAINAGE DISTRICT OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual -
Year Ended September 30, 1999
With Comparative Actual Amounts for Year Ended September 30, 1998

	General Fund			1998 Actual
	Budget	Actual	Variance - Favorable (Unfavorable)	
Revenues:				
Taxes	\$ 228,319	\$ 231,156	\$ 2,837	\$ 208,695
Intergovernmental	52,776	54,154	1,378	43,909
Miscellaneous	17,621	22,121	4,500	22,701
Total revenues	<u>298,716</u>	<u>307,431</u>	<u>8,715</u>	<u>275,305</u>
Expenditures:				
Current -				
Advertising	1,800	1,599	201	660
Auto and truck allowance	6,300	6,425	(125)	5,915
Capital outlay	-	6,945	(6,945)	-
Contract labor	80	80	-	660
Electrical	130	122	8	133
Insurance	13,900	11,889	2,011	9,168
Professional fees	12,575	2,600	9,975	2,550
Maintenance and repairs	88,000	95,122	(7,122)	38,460
Miscellaneous	4,900	5,013	(113)	29
Natural gas	25,000	21,740	3,260	49,830
Office supplies	100	114	(14)	174
Payroll tax expense	4,900	5,423	(523)	3,477
Per diem - board	4,380	4,200	180	4,560
Salaries and wages	74,024	69,744	4,280	44,641
Supplies	3,700	3,427	273	5,439
Tax assessor's compensation	7,194	7,194	-	6,723
Telephone	1,668	1,674	(6)	1,375
Total expenditures	<u>248,651</u>	<u>243,311</u>	<u>5,340</u>	<u>173,794</u>
Excess of revenues over expenditures	50,065	64,120	14,055	101,511
Fund balance, beginning	<u>663,193</u>	<u>663,193</u>	<u>-</u>	<u>561,682</u>
Fund balance, ending	<u>\$ 713,258</u>	<u>\$ 727,313</u>	<u>\$ 14,055</u>	<u>\$ 663,193</u>

The accompanying notes are an integral part of this statement.

WAX LAKE EAST DRAINAGE DISTRICT
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Wax Lake East Drainage District of the Parish of St. Mary, State of Louisiana (District), which is a component unit of the St. Mary Parish Council, was created by Ordinance No. 706 of the St. Mary Parish Police Jury on August 11, 1965. The purpose of the District is the draining and reclaiming of the undrained or partially drained marsh, swamp, and overflowed lands in the area specified in its creation ordinance.

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the District executive and legislative branches (the Board of Commissioners). Control by or dependence on the District was determined on the basis of budget adoptions, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. The District is an integral part of the Parish of St. Mary.

B. Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. All operations of the District are accounted for in the financial statements in this report into one generic fund type and one broad fund category as follows:

Governmental Fund -

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Fixed Assets

The fixed assets used in the governmental fund type operations of the District are accounted for in the General Fixed Assets Account Group, rather than in the General Fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

The account group is not a "fund". It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

WAX LAKE EAST DRAINAGE DISTRICT
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Governmental fund types (General, Special Revenue, Debt Service and Capital Projects) use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year end.

Revenues the District considers susceptible to accrual include property taxes, interest income and intergovernmental revenues. Substantially all other revenues are recorded when received.

Under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred. Exceptions to this rule include salaries, which are recorded by the District when paid, and accumulated vacation leave, which is not accrued.

E. Budgetary Practices

Annually, the District adopts a budget for all funds. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. Formal budgetary integration is employed as a management control device during the year. The budget is prepared on a modified accrual basis. Budget amounts included in the accompanying general purpose financial statements reflect originally adopted budget amounts and all subsequent amendments. All budgetary appropriations lapse at the end of each fiscal year.

F. Vacation and Sick Leave

The District has no existing written policy on vacation and sick leave. These are recognized as expenditures when paid.

WAX LAKE EAST DRAINAGE DISTRICT
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Interest-bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market. The interest-bearing deposits are time deposits which are fully secured through the pledge of bank-owned securities or the Federal Deposit Insurance Corporation (FDIC) insurance coverage.

H. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District as an extension of formal budgetary integration in the funds.

I. Comparative Data

Comparative total data for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

J. Total Columns - Memorandum Only

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles, requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates.

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 1999, the District has cash and interest-bearing deposits (book balances) totaling \$732,912 as follows:

WAX LAKE EAST DRAINAGE DISTRICT
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS (CONTINUED)

Demand	\$ 5,623
Money Market Accounts	589,526
Time deposits	<u>137,763</u>
 Total	 <u>\$ 732,912</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at September 30, 1999, are as follows:

Bank balances	<u>\$ 734,720</u>
---------------	-------------------

At September 30, 1999, the deposits are secured as follows:

Federal deposit insurance	175,010
Pledged securities (Category 3)	<u>690,137</u>
 Total federal insurance and pledged securities	 <u>865,147</u>
 Excess of federal insurance and securities pledged	 <u>\$ 130,427</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property within the District's taxing area as of January 1 of each year. Taxes are levied by the District in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The St. Mary Parish Sheriff bills and collects the District's property taxes using the assessed values determined by the tax assessor of St. Mary Parish. District property tax revenues are budgeted in the year billed.

WAX LAKE EAST DRAINAGE DISTRICT
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 3 AD VALOREM TAXES (CONTINUED)

For the year ended September 30, 1999, 5.29 mills were authorized and dedicated as follows:

Maintenance and operation	5.29 mills
---------------------------	------------

Total taxes levied were \$231,156. There were no taxes receivable at September 30, 1999.

NOTE 4 DUE FROM OTHER GOVERNMENTAL UNITS

Amount due from St. Mary Parish Council	\$ 161
Amount due from Town of Berwick	<u>161</u>
 Total	 <u>\$ 322</u>

NOTE 5 CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance October 1, 1998	Additions	Deletions	Balance September 30, 1999
Drainage property, equipment and improvements	<u>\$ 323,158</u>	<u>\$ 6,946</u>	<u>\$ -</u>	<u>\$ 330,104</u>

NOTE 6 COMPENSATION PAID BOARD MEMBERS

For the year ended September 30, 1999, the following individuals served on the Board of Commissioners and received per diem allowance as follows:

Name	Amount
Anthony Boudreaux	\$ 600
Leroy Gray	720
Lee Felterman	360
Joseph Keller	660
Jeffrey LaGrange	660
Louis Ratcliff	600
Richard Grow	600
	<u>\$ 4,200</u>

WAX LAKE EAST DRAINAGE DISTRICT
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Notes to Financial Statements

NOTE 7 SOCIAL SECURITY SYSTEM

All employees of the District participate in the Social Security System. The District and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the District and 7.65% by the employee). The District's contribution during the year ended June 30, 1999 amounted to \$5,335.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The District is insured up to policy limits for each of the above risks. There were no significant changes in coverages, retentions, or limits during the year ended June 30, 1999. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

NOTE 9 LITIGATION AND CLAIMS

There is no pending or threatened litigation involving the District or any unasserted claims which should be disclosed at September 30, 1999.

**SUPPLEMENTAL
INFORMATION**

INTERNAL CONTROL

AND

COMPLIANCE



Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

Board of Commissioners
Wax Lake East Drainage District of the
Parish of St. Mary, State of Louisiana
Patterson, Louisiana

We have audited the general purpose financial statements of Wax Lake East Drainage District of the Parish of St. Mary, State of Louisiana, a component unit of the St. Mary Parish Council as of and for the year ended September 30, 1999, and have issued our report thereon dated November 18, 1999, which was qualified due to the omission of the year 2000 disclosures that are required by Governmental Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*. 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 the Wax Lake East Drainage District of the Parish of St. Mary, State of Louisiana's 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 an 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 the Wax Lake East Drainage District of the Parish of St. Mary, State of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 the entity's ability to record,

Eugene H. Darnall, CPA, Retired 1990

E. Larry Sikes, CPA, CVA
Danny P. Frederick, CPA
Clayton E. Darnall, CPA
Eugene H. Darnall, III, CPA
Paula D. Bihm, CPA
Stephanie M. Higginbotham, CPA

Jennifer S. Ziegler, CPA
Chris A. Miller, CPA
John P. Amato, CPA

Kathleen T. Darnall, CPA
Stephen R. Dischler, MBA, CPA
Alan M. Taylor, CPA
Christine A. Raspberry, CPA
Steven G. Moosa, CPA
Erich G. Loewer, Jr., CPA
Erich G. Loewer, III, CPA
Danny P. Pontiff, CPA
Tamera T. Landry, CPA
Carla R. Fontenot, CPA
Raegan D. Stelly, CPA
Jason H. Watson, CPA

Other Locations:

125 Rue Beaupard
Lafayette, LA 70508
318.232.3312

1231 E. Laurel Avenue
Lunice, LA 70535
318.457.4146

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
504.384.6264

404 Pere Meuret
Abbeville, LA 70510
318.893.5170

dstcpas.com

process, summarize, and report financial data consistent with assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

This report is intended for the information of the District's management and others within the organization and is not intended to be and should not be used by anyone other than those specified parties.

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants

Morgan City, Louisiana
November 18, 1999

OTHER SUPPLEMENTARY INFORMATION

WAX LAKE EAST DRAINAGE DISTRICT
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Summary Schedule of Prior Year Findings
September 30, 1999

98-1 Finding: Inadequate Segregation of Accounting Functions

Status: This finding is unresolved. See current year finding 99-1.

WAX LAKE EAST DRAINAGE DISTRICT
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Schedule of Findings and Questioned Costs
September 30, 1999

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

A qualified opinion has been issued on Wax Lake East Drainage District's financial statements as of and for the year ended September 30, 1999.

Reportable Conditions – Financial Statements

One reportable condition in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 99-1 in Part 2 and is considered a material weakness.

Material Noncompliance – Financial Reporting

There were no material instances of noncompliance noted during the audit of the financial statements.

Part 2: Findings Relating to an Audit in Accordance with Governmental Auditing Standards

99-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the District did not have adequate segregation of functions within the accounting systems.

Recommendation:

Based upon the size of the operation and the cost benefit of additional personnel it may not be feasible to achieve complete segregation of duties.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At September 30, 1999, Wax Lake East Drainage District did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

WAX LAKE EAST DRAINAGE DISTRICT
OF THE PARISH OF ST. MARY,
STATE OF LOUISIANA

Management's Corrective Action Plan For Current Year Findings
September 30, 1999

Response to Finding 99-1:

No response is considered necessary.