

3211

STATE OF MISSISSIPPI  
COMMISSION ON GOVERNMENTAL  
OPERATIONS

**OFFICIAL  
FILE COPY**

DD FORM 2015-897

DATE OF REVISION  
OCTOBER 1984  
GPO: 1985 O-8901  
PRICE: \$1.00

**WATERWORKS DISTRICT 4 OF WARD 4  
OF CALCAHOU PARISH  
Wentzels, Louisiana**

**General Purpose Financial Statements  
April 30, 1987 and 1988**

Under provisions of state law, this report is a public document. A copy of this document is distributed to the chief of, or president, entity, post office, or other public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Original Date: June 29, 1987

T A B L E   O F   C O N T E N T S

	<u>Page.</u>
Independent Auditor's Report	i
Balance Sheet	1 - 3
Statements of Revenue, Expense, and Changes in Retained Earnings	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 11
Independent Auditor's Report on Internal Control Structure Based on a Financial Statement Audit Performed in Accordance with Government Auditing Standards	12 - 13
Independent Auditor's Report on Compliance Based on a Financial Statement Audit Performed in Accordance with Government Auditing Standards	14



# BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

*A Registered Corporation*

100 FIRST AVENUE

MONROE, LA 70001

PHONE (504) 233-1100

FAX (504) 337-0804

## Independent Auditor's Report

### **Board of Commissioners**

Waterworks District 4 of Ward 4  
of Calcasieu Parish, Louisiana  
New Iberia, Louisiana

We have audited the general purpose financial statements of Waterworks District 4 of Ward 4 of Calcasieu Parish, Louisiana, a component unit of the Calcasieu Parish Police Jury, as of and for the years ended April 30, 1997 and 1998, as stated in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Waterworks District 4 of Ward 4 of Calcasieu Parish, Louisiana as of April 30, 1997 and 1998, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated July 8, 1997, on our consideration of Waterworks District 4 of Ward 4 of Calcasieu Parish, Louisiana's internal control structure and a report dated July 6, 1997, on its compliance with laws and regulations.

*Broussard & Company*

New Iberia, Louisiana  
July 8, 1997  
/s/nc

WATERWORKS DISTRICT 4 OF PARISH 6 OF CALCAHOU PARISH  
Mandeville, Louisiana

Balance Sheet  
April 30,

	<u>1991</u>	<u>1990</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 27,951	\$ 23,329
Accounts receivable, net of allowance for uncollectible accounts (1991 and 1990 - \$-0-)	22,372	28,211
Prepaid insurance	123	21,399
Refundable insurance deposits	936	3,400
Accrued interest receivable	4,228	1,388
<b>TOTAL CURRENT ASSETS</b>	<u>55,600</u>	<u>78,727</u>
<b>RESTRICTED ASSETS</b>		
Certificates of deposit - 6000 maturity	228,263	228,819
Certificates of deposit/money - money deposits fund	34,798	52,218
<b>TOTAL RESTRICTED ASSETS</b>	<u>263,061</u>	<u>281,037</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Machinery, fixtures and equipment	24,091	23,964
Trucks	22,228	22,228
Water wells	124,827	294,837
water tank	272,821	266,864
Distribution system	728,181	728,751
Pipedistribution system	24,224	24,224
Plant and buildings	228,428	228,428
	<u>1,602,851</u>	<u>1,602,851</u>
Less accumulated depreciation	1,042,100	298,879
	560,751	803,972
Land	6,822	6,822
<b>NET FIXED ASSETS</b>	<u>567,573</u>	<u>810,894</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,123,173</u>	<u>\$ 1,379,621</u>

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

**LIABILITIES AND RETAINED EARNINGS**

	1997	1996
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 78,328	\$ 16,478
Accounts payable	3,690	-
Payroll taxes payable	3,690	1,968
Accrued compensation	8,322	6,217
Total Current Liabilities	94,030	25,663
<b>CURRENT LIABILITIES (Payable from Restricted Assets)</b>		
Accrued interest payable	25,622	28,836
Notes payable	187,742	188,856
Notes deposits payable	84,868	85,719
Total Current Liabilities (Payable from Restricted Assets)	308,232	303,411
<b>LONG-TERM LIABILITIES</b>		
Notes payable	837,742	876,876
Long-term security	142,362	138,873
Total Long-Term Liabilities	980,104	1,015,749
Total Liabilities	1,282,366	1,344,823
<b>RETAINED EARNINGS</b>		
Reserve per common stock	126,886	10,547
Reserve-undesignated	186,623	278,723
Total Retained Earnings	313,509	289,270
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	\$ 1,595,875	\$ 1,634,093

**WATERWORKS DISTRICT 4 OF WARD 4 OF COLLEENIA PARISH**  
**Thibodaux, Louisiana**

**Statement of Revenues, Expenses, and**  
**Changes in Retained Earnings**  
**For the Year Ended April 30,**

	1987		1986	
	Percent	Amount	Percent	Amount
<b>OPERATING REVENUES</b>				
Water sales	95.12%	\$ 224,384	95.75%	\$ 205,589
Water tags revenue	3.00%	18,369	3.76%	8,480
Service charges	.79%	3,480	.76%	3,480
Late charges	1.11%	4,083	1.13%	3,872
<b>Total Operating Revenues</b>	<u>100.00%</u>	<u>\$41,096</u>	<u>100.00%</u>	<u>\$41,421</u>
<b>OPERATING EXPENSES</b>				
Salary - superintendent	10.45%	34,535	9.89%	33,707
Salary - office	8.79%	28,828	8.31%	28,058
Transmission labor	8.26%	27,438	8.06%	26,712
Contract labor	.89%	2,944	.81%	2,388
Insurance	5.74%	18,378	5.48%	17,810
Paper & linen	3.88%	12,447	3.69%	11,955
Retirement benefits	3.33%	10,959	3.26%	10,631
Office supplies and postage	3.45%	11,384	3.27%	10,679
Meeting expense	3.40%	11,000	3.28%	10,680
Telephone	.43%	1,385	.40%	1,288
Utilities	5.88%	19,177	5.44%	17,843
Billings and meter reading	8.33%	27,384	8.40%	27,457
Truck expense	.43%	1,404	.78%	2,540
Maintenance and repairs	3.80%	12,344	3.89%	12,627
Chemicals and supplies	3.84%	12,478	3.84%	12,340
Depreciation	13.44%	43,117	12.78%	41,434
Legal and professional	1.83%	5,828	3.83%	12,425
Equipment rental	1.75%	5,668	1.48%	4,818
Miscellaneous	.34%	1,097	.84%	2,731
Bad debt expense	.23%	754	.23%	737
<b>Total Operating Expenses</b>	<u>71.82%</u>	<u>\$29,378</u>	<u>71.23%</u>	<u>\$29,688</u>
<b>INCOME FROM OPERATIONS</b>	<u>28.18%</u>	<u>\$11,718</u>	<u>28.77%</u>	<u>\$11,733</u>
<b>NON-OPERATING REVENUES</b> (EXPENSES)				
Contract income	4.15%	14,188	3.86%	12,188
Interest expense	( 13.77%)	( 45,823)	( 14.71%)	( 48,188)
Miscellaneous income	.80%	2,379	.21%	795
Gain/(loss) on asset disposal	1.00%	3,250	.00%	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>1.18%</u>	<u>\$3,894</u>	<u>( 10.64%)</u>	<u>( 35,203)</u>
<b>NET INCOME</b>	<u>29.36%</u>	<u>\$15,612</u>	<u>18.13%</u>	<u>\$6,530</u>
<b>RETAINED EARNINGS - May 1</b>		<u>332,283</u>		<u>303,128</u>
<b>RETAINED EARNINGS - April 30</b>		<u>\$ 347,895</u>		<u>\$ 338,658</u>

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

WATERWORKS DISTRICT 4 OF WARD 4 OF BALCONGEY PARISH  
MORNINGSTAR, LOUISIANA

STATEMENT OF CASH FLOW  
For the Years Ended April 30,

	1997	1996
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 32,684	\$ 61,483
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	46,117	36,437
(Increase) decrease in receivables	1,430	( 4,944)
(Increase) decrease in prepaid insurance	12,940	( 1,155)
Decrease (increase) in accounts payable	65,894	31,820
Increase (decrease) in payroll taxes	( 237)	( 885)
(Increase) in accrued interest payable	( 844)	( 933)
Increase (decrease) in accrued compensation	( 1,028)	( 500)
Total Adjustments	124,103	61,959
Net Cash Provided by Operating Activities	156,787	123,692
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Transfer from (to) restricted assets	( 63,344)	( 55,643)
Other miscellaneous	1,073	700
Interest earned	14,182	22,332
Net Cash Provided in Investing Activities	( 48,089)	( 32,611)
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of property, plant and equipment	( 93,288)	( 23,819)
Interest	( 47,913)	( 63,284)
Principal bond payments	( 42,124)	( 38,813)
Net cash used in capital and related financing activities	( 183,325)	( 125,916)
Net Increase (Decrease) in Cash	( 74,627)	( 34,835)
Cash and Cash Equivalents (Unrestricted) at Beginning of Year	33,200	68,035
Cash and Cash Equivalents (Unrestricted) at End of Year	\$ (41,427)	\$ 33,200

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

WATERWORKS DISTRICT 4 OF WARD 4 OF CALCASIEU PARISH  
Mossblom, Louisiana

Notes to Financial Statements  
April 30, 1967 and 1968

Note 1 - Summary of Significant Accounting Policies

Waterworks District 4 of Ward 4 of Calcasieu Parish was created by ordinance of the Calcasieu Parish Police Jury in 1931. The district is governed by a board of five members who are appointed by the Calcasieu Parish Police Jury.

The accounting and reporting policies of the district conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:117 and to the guidelines set forth in the Louisiana Accounting Fund and Accounting Guide, and to the Inventory and Guide, Publics of State and Local Governmental Units.

FINANCIAL REPORTING ENTITY

As more fully described in paragraph one above, the Waterworks District 4 of Ward 4 of Calcasieu Parish is governed by a Board appointed by the Calcasieu Parish Police Jury.

As the governing authority of the parish, for reporting purposes, the Calcasieu Parish Police Jury is the financial reporting entity for Calcasieu Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 29 established criteria for determining which component units should be considered part of the Calcasieu Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the police jury to impose its will on that organization and/or,
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority, but are financially dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Continued  
4



WABINHOKE DISTRICT # OF PARISH # OF CALCASIEU PARISH  
Westlake, Louisiana

Notes to Financial Statements (Continued)  
April 30, 1987 and 1986

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

Because the police jury appoints a voting majority of the district's board members, the district was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by the police jury, or the other governmental units that comprise the financial reporting entity.

**FUND ACCOUNTING**

The accounts of the district are organized on the basis of a proprietary fund, which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**BASE OF ACCOUNTING**

The district uses the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when incurred.

**PROPERTY, PLANT AND EQUIPMENT AND LONG-TERM LIABILITIES**

The proprietary fund is accounted for on a cost of services or capital maintenance measurement basis, and all assets and liabilities (whether current or non-current) associated with its activity are included in the balance sheet.

Depreciation of all depreciable property, plant and equipment is charged as an expense against the operations. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Furniture and fixtures	5 - 10 years
Trucks	5 years
Water wells	50 years
Water tank	50 years
Distribution system	50 - 60 years
Plant and buildings	50 - 60 years

The property, plant and equipment is stated at historical cost. Depreciation amounted to \$46,117 and \$50,457 for the years ended April 30, 1987 and 1986, respectively.

Continued

WATERWORKS DISTRICT 4 OF WARD 4 OF CALCASIEU PARISH  
 New Orleans, Louisiana

Notes to Financial Statements (Continued)  
 April 30, 1993 and 1994

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The District considers all unencumbered short-term investments with an original maturity of three months or less to be cash equivalents.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Bonds Payable

WATERWORKS DISTRICT 4 OF WARD 4 OF CALCASIEU PARISH ISSUED \$1,000,000 OF Revenue Bonds that were purchased by the Department of Housing and Urban Development. The interest rate on the bonds is 3 3/8%. The annual requirements to amortize the bonds outstanding as of April 30, 1993 and 1994 follows:

April 30, 1993			
Year Ending April 30,	Principal	Interest	Totals
1993	\$ 147,141	\$ 40,808	\$ 187,949
1994	38,000	38,813	76,813
2000	38,000	38,844	76,844
2001	40,000	34,875	74,875
2002	40,000	32,428	72,428
Thereafter	\$ 418,000	\$ 304,724	\$ 722,724
	\$ 819,141	\$ 489,818	\$ 1,308,959

April 30, 1994			
Year Ending April 30,	Principal	Interest	Totals
1994	\$ 188,878	\$ 42,188	\$ 231,066
1995	32,000	42,680	74,680
1996	35,000	38,813	73,813
1997	38,000	38,844	76,844
1998	40,000	34,875	74,875
Thereafter	\$ 380,000	\$ 312,487	\$ 692,487
	\$ 873,878	\$ 499,827	\$ 1,373,705

There were principal reductions of 141,194 and 138,813 on the outstanding bonds for the years ended April 30, 1993 and 1994, respectively. Principal payments maturing since December 31, 1994 are included in current liabilities, as well as the current installment due. Delinquent principal payable is 1127,782 and 1128,878 for the years ended April 30, 1993 and 1994, respectively. The bond holder, the Department of Housing and Urban Development, is aware of the delinquency and regularly monitors the progress made by the district in attempting to pay the delinquent principal. No other action has been taken regarding the delinquent principal.

Continued

WATERWORKS DISTRICT # 4 OF WARD # 4 OF CALCAHIEE PARISH  
Bossier, Louisiana

Notes to Financial Statements (Continued)  
April 30, 1977 and 1978

Note 3 - Dedication of Revenues

The Borrower covenants and agrees that as soon as any portion of the project becomes revenue producing, all income derived from its operation or ownership shall be deposited to the credit of a special fund to be known as the "Water System Revenue Fund", to be kept separate and apart from all other funds. Such fund shall be maintained as long as any of the bonds are outstanding, in a bank which is a member of the Federal Deposit Insurance Corporation and shall be expended and used only in the manner and under specified below, all as permitted and defined by applicable statutes:

1. Current expenses of the system.
2. Payments into the "Revenue Bond and Interest Sinking Fund" to cover the bond's current maturity of principal and interest.
3. Payments into the "Revenue Bond Reserve Fund" until such time as the funds shall equal \$25,000.
4. Payments to the "Replacement and Extension Fund" until the balance amounts to \$18,100. The purpose of the fund is to cover the costs of unusual or extraordinary maintenance, repairs, replacements, and extensions.
5. Subject to the foregoing, which are cumulative, any balance in the "Water System Revenue Fund" may be used for the purpose of acquiring for cancellation the outstanding Revenue Bonds.

Note 4 - Meeting Expenses

Members of the Board of Commissioners are currently paid a \$25 per diem allowance for attending board meetings. The total expenses for meetings during the current year and the prior year are as follows:

Member	April 30, 1977		April 30, 1978	
	Total Number	Expense	Total Number	Expense
Richard A. Roberts	17	\$ 425.00	15	\$ 375.00
A.B. Schwabert	15	375.00	13	325.00
JOEY BIANI	10	250.00	10	250.00
Mauren Slobo	10	250.00	14	350.00
Lewis Applegate	-	-	10	250.00
J.M. FOSTER	10	250.00	7	175.00
		<u>\$ 1,550.00</u>		<u>\$ 1,325.00</u>

Note 5 - ACCUMULATED VACATION

The District's liability for accumulated unpaid vacation as of April 30, 1977 and 1978, totaling \$9,238 and \$9,237, respectively, has been accrued at prevailing wage rates.

Continued  
9

WATERWORKS DISTRICT # OF BOARD # OF CALCASIEU PARISH  
Bastache, Louisiana

Notes to Financial Statements (Continued)  
April 30, 1997 and 1996

Note 4 - Employee Benefits

The district implemented a Simplified Employee Pension Plan (SEP) for its employees during the year ended April 30, 1997. The district currently contributes 8% of the salary of qualifying full-time employees to this plan. The contribution for years 1997 and 1996 was \$4,977 and \$4,812, respectively.

Note 5 - Cash, Cash Equivalents and Certificates of Deposit

At April 30, 1997, the district had cash, cash equivalents and certificates of deposit (book balances) totaling \$371,379.

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 held in the name of the pledging agent bank in a holding or custodial bank that is mutually acceptable to both parties. At April 30, 1997, the district had \$298,338 in deposits (collected bank balances). These deposits are secured from risk by \$139,706 of federal deposit insurance and \$158,632 of pledged securities held by the custodial bank in the name of the fiscal agent bank (see category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 38:1223 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 6 - Restricted Assets

Restricted assets include monies set aside by the Board for bond indenture requirements and refundable meter deposits.

The composition of cash and cash equivalents and restricted assets is set forth below, at amortized costs, if applicable.

	1997	1996
Cash and cash equivalents	\$ 32,827	\$ 36,228
Certificates of deposit	338,552	278,958
	<u>\$ 371,379</u>	<u>\$ 315,186</u>

Note 7 - Cash Flow Information

Cash paid for interest for fiscal year ended April 30, 1997 was \$48,887.

WATERWORKS DISTRICT 4 OF NARD 4 OF ORLEANS PARISH  
New Orleans, Louisiana

Notes to Financial Statements (Continued)  
April 30, 1997 and 1998

Note 9- Accounts Payable/Retainage Payable

The district had unpaid obligations to several vendors related to the repaving of a 300,000 gallon elevated water tank at April 30, 1997. Accounts payable related to the project totaled \$73,434 and unbilled retainage payable totaled \$7,818.

Note 11- FIXED TERM RECEIVABLE

Certain prior year amounts have been reclassified to conform with current year presentation.



# BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

*A Registered Corporation*

THIRTIETH AVENUE

NEW ORLEANS  
PARISH 70464

NEW ORLEANS, LOUISIANA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON A FINANCIAL STATEMENT AUDIT PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Waterworks District 4 of Ward 4  
of Calcasieu Parish, Louisiana  
Mauritine, Louisiana

We have audited the general purpose financial statements of Waterworks District No. 4 of Ward 4 of Calcasieu Parish, Louisiana, as of and for the year ended April 30, 1997, and have issued our report thereon dated July 8, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

The management of Waterworks District No. 4 of Ward 4 of Calcasieu Parish, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Waterworks District No. 4 of Ward 4 of Calcasieu Parish, Louisiana, for the year ended April 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Board of Commissioners  
Waterworks District No. 4 of Ward 4  
of Calcasieu Parish, Louisiana

We raised certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A proper segregation of duties is not feasible due to the small number of people involved in the District's day to day operations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

This report is intended solely for the use of management and other state and federal audit agencies. This restriction is not intended to limit the distribution of this report which, upon acceptance of state and federal audit agencies, is a matter of public record.

*Bronson & Company*

Algier, Louisiana  
July 8, 1999  
/s/



# BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

*A Registered Corporation*

One 971-000  
P.O. Box 107100

NEW ORLEANS, LOUISIANA

MOBILE, ALABAMA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED  
ON A FINANCIAL STATEMENT AUDIT PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Waterworks District 4 of Ward 4  
of Calcasieu Parish, Louisiana  
Westlake, Louisiana

We have audited the general purpose financial statements of Waterworks District No. 4 of Ward 4 of Calcasieu Parish, Louisiana, as of and for the year ended April 30, 1997, and have issued our report thereof dated July 9, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Waterworks District No. 4 of Ward 4 of Calcasieu Parish, Louisiana is the responsibility of management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of Waterworks District No. 4 of Ward 4 of Calcasieu Parish, Louisiana compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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.

This report is intended solely for the use of management and other state and Federal audit agencies. This restriction is NOT intended to limit the distribution of this report which, upon acceptance of state and Federal audit agencies, is a matter of public record.

*Broussard & Company*

New Orleans, Louisiana  
July 9, 1997  
/s/