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BAYOU LAFOURCHE FRESH WATER DISTRICT
Thibodaux, Louisiana

FINANCIAL REPORT
INTERNAL CONTROL AND COMPLIANCE REPORT

December 31, 1994

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 01/10/1995

Wagnersick & Associates (APAC)

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BRDU LAFOURCHE FRESH WATER DISTRICT**December 31, 1996****C O N T E N T S**

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Bayou Lafourche Fresh Water District
Thibodaux, Louisiana

We have audited the general-purpose financial statements of Bayou Lafourche Fresh Water District as of and for the year ended December 31, 1996, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Bayou Lafourche Fresh Water District's management. 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 Government Auditing Standards, issued by the Comptroller of the United States. These 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 audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Bayou Lafourche Fresh Water District as of December 31, 1996 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 May 23, 1997 on our consideration of Bayou Lafourche Fresh Water District's internal control structure and a report dated May 23, 1997 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying financial information listed as Supplementary 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 the Bayou Lafourche Fresh Water District. 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 stated in all material aspects in relation to the general-purpose financial statements taken as a whole.

Waguespack & Associates (APAC)
Belle Meade, Louisiana
May 23, 1997

BANDI LAFOURTIE FRESH WATER DISTRICT
Bilbochiac, Louisiana

Statement A

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1994

	Governmental Fund Type Control Fund	Account Groups		Total (Minorities) Only
		General Fund Assets	General Long-Term Debt	
ASSETS				
Cash	\$ 81,283	\$ -	\$ -	\$ 81,283
Investments in government backed securities	781,915	-	-	781,915
Receivables:				
Ad valorem taxes	399,629	-	-	399,629
Interest receivables	3,905	-	-	3,905
State revenue sharing	43,818	-	-	43,818
Water sales	17,604	-	-	17,604
Land	-	8,785	-	8,785
Plant and properties	-	1,715,104	-	1,715,104
Equipment, furniture and vehicles	-	872,040	-	872,040
Amounts to be provided for compensated absences payable	-	-	29,415	29,415
Total Assets	\$ 1,298,642	\$ 2,495,872	\$ 29,415	\$ 3,796,134
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 24,915	-	\$ -	\$ 24,915
Compensated absences payable	8,136	-	29,415	37,551
Total Liabilities	33,051	-	29,415	62,466
Fund equity:				
Investment in general fund assets	-	2,466,077	-	2,466,077
Fund balance:				
Unreserved-unassigned	1,265,591	-	-	1,265,591
Total fund equity	1,265,591	2,466,077	-	3,731,668
Total Liabilities and Fund Equity	\$ 1,301,642	\$ 2,496,077	\$ 29,415	\$ 3,796,134

The accompanying notes are an integral part of this statement.

BAYOU LABOURERS' FRESH WATER DISTRICT
Thibodaux, Louisiana

Statement B

Statement of Revenues and Expenditures and Changes in Fund Balance
Governmental Fund Type - General Fund

For the Year Ended December 31, 1996

Operating Revenues:			
Ad valorem taxes	\$	411,505	
State revenue sharing		68,738	
Water sales		<u>330,850</u>	
Total revenues			\$ 811,093
Expenditures:			
Salaries - operations and station		192,738	
Salary - administrative		45,895	
Salaries - office		34,934	
Papercost taxes and retirement		25,650	
Fuel items		3,883	
Advertising and legal publications		2,280	
Bankbook charges		1,738	
Facil cost		5,633	
Group insurance		44,504	
General insurance		80,046	
Accounting and consulting fees		3,478	
Legal fees		3,846	
Materials and supplies		34,838	
Office supplies and expenses		8,798	
Repairs and maintenance		189,541	
Telephone		6,987	
Travel		2,584	
Utilities		133,488	
Deductions from ad valorem taxes for retirement system		<u>37,881</u>	
Total current expenditures		782,259	
Capital outlay		<u>132</u>	
Total expenditures			<u>782,391</u>
 Excess (Deficiency) of revenues over expenditures			 (1,297)

Continued

The accompanying notes are an integral part of this statement.

RAYON LAPIN/DCRC FISHER PORTER DISTRICT
Thibodaux, Louisiana

Statement 11

Statement of Revenues and Expenditures and Changes in Fund Balance
Governmental Fund Type - General Fund - Continued

For the Year Ended December 31, 1994

Other Financing Sources (Use):		
Interest income	79,217	
Insurance claims	80,772	
Sale of equipment	180,000	
Miscellaneous income/retroactive costs	<u>3,289</u>	
Total other financing sources (uses)		<u>323,278</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		222,460
Fund balance at beginning of year		<u>1,821,120</u>
Fund balance at end of year		<u>\$ 2,043,580</u>

The accompanying notes are an integral part of this statement.

BAVIER LAPOERCHIE FRESH WATER DISTRICT
Thibodaux, Louisiana

Statement C

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Environmental Fund Type - General Fund

For the Year Ended December 31, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Ad valorem taxes	\$ 286,400	\$ 411,260	\$ 124,860
State income sharing	60,000	68,750	7,750
Water sales	240,000	238,000	(2,000)
Total revenues	<u>586,400</u>	<u>718,010</u>	<u>131,610</u>
EXPENDITURES:			
For items	2,000	2,000	(000)
Travel expense	2,500	2,504	(204)
Advertising and legal publications	2,500	2,200	400
Accounting and consulting	2,400	2,870	(70)
Bookkeeper charges	100	1,720	(1,620)
Consultant legal fees	2,500	2,840	(140)
Materials and Supplies:			
Administration	44,500	45,855	(1,855)
Office personnel	33,000	34,214	(774)
Buyer personnel	60,000	62,800	(1,660)
Station personnel	121,000	130,800	(5,600)
Office supplies and expenses	7,500	8,700	(600)
Utilities (electric, water and garbage)	121,500	119,400	2,600
Telephone	8,500	8,900	(400)
Employee Contributions:			
Retirement system	2,500	2,510	(10)
Group & life insurance	45,000	44,524	476
Social security (FICA)	20,200	21,270	(900)
Fuel expense	4,000	2,600	(1,100)
Material and supplies	14,500	14,000	500
Repairs to equipment - station	80,000	84,000	(180)
Repairs to equipment - buyer	22,500	25,100	(2,650)
Insurance - general	70,000	60,040	(9,960)
Deductibles - retirement system	22,000	22,861	(861)
Total current expenditures	<u>692,000</u>	<u>712,219</u>	<u>(20,219)</u>

Continued

The accompanying notes are an integral part of this statement.

ENGLIS LAFFORCIE FRESH WATER DISTRICT
Tulaloma, Washington

Statement 1

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual Governmental Fund Type - General Fund - Continued

For the Year Ended December 31, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
CAPITAL OUTLAY:			
Buildings/equipment	\$ _____	\$ _____	\$ _____
OTHER FINANCING SOURCES (USES):			
Interest income	33,000	59,217	26,217
Revenue credits	80,000	80,772	772
Sale of equipment	100,000	100,000	-
Miscellaneous income/reimbursements	_____	_____	_____
Total other financing sources (uses)	_____	_____	_____
Excess (deficiency) of revenues over expenditures	215,000	225,400	10,400
Fund balance at beginning of year	_____	_____	_____
Fund balance at end of year	<u>\$ 1,200,000</u>	<u>\$ 1,425,500</u>	<u>\$ 225,500</u>

The accompanying notes are an integral part of this statement.

BOYCE LAFOURCHE FRESH WATER DISTRICT
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Boyce Lafourche Fresh Water District ("District") was created under Act 113 of 1986 of the Louisiana Legislature, for the purpose of furnishing fresh water from the Mississippi River to the incorporated villages, towns and cities along Boyce Lafourche. The District is governed by a board of five commissioners appointed for term of four years by the parish governments of Assumption, Assumption and Lafourche.

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 Statute 24:517 and to the guidelines set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, *Audit of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

FINANCIAL REPORTING ENTITY

This report includes all funds and account groups which are controlled by the District which was determined on the basis of criteria as set forth under Governmental Accounting Standards Board (GASB) statement no. 14. The District is not included in any other governmental "reporting entity" as defined by the GASB pronouncements, since the appointed commissioners have decision making authority, the authority to levy fees or set rates, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The district also is legally separate and is considered to be financially independent. Accordingly, the district has issued general-purpose financial statements which include all funds and account groups which are controlled by the district.

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 which comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund presented in the financial statements is described as follows:

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

ACCOUNT GROUP CATEGORIES

Account Group Categories are used to establish accounting control and accountability for the District's general fund assets and general long-term debt of the District. The two account groups are not "funds". They are concerned only with the measurement of financial position, not with measurement of results of operations.

General Fund Asset Account Group - This group of accounts is established to account for all fixed assets of the District. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Interest during construction is not capitalized.

BIAYTE LAFOURCHE FRESH WATER DISTRICT
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

General Long-Term Obligation Assgmt. Group - This group of accounts is established to account for all assumed general long-term liabilities of the District.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement basis applied.

The District's records are maintained on a cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following procedures:

Revenues - All revenues taxes and the related state revenues during (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed (except for taxes paid under protest which are recorded as revenues in the year available). All revenues taxes are assessed on a calendar year basis, become due November 15 of each year and become delinquent on December 31. The taxes are generally collected in December of the current year. The revenue collected by the sheriffs of the parishes involved are transmitted to the District.

Water rates are provided when earned.

Substantially all other revenues are recorded when received.

Receivable amounts are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected, they are recorded as income. The direct write-off method is not a material departure from GAAP as it approximates the valuation method.

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

BUDGETARY ACCOUNTING

Annually, the Board of Commissioners of the District adopts a detailed budget for the general fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and a public hearing on the budget. The budget is prepared on a modified accrual basis of accounting. Budgetary amounts included in the accompanying financial statements include original adopted budget amounts and all subsequent amendments.

ANNUAL AND SICK LEAVE

The District employees accumulate an unlimited amount of annual and sick leave at varying rates as established by state regulations. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave is credited as earned service in computing retirement benefits.

BOYCE LAPOURCHE FRESH WATER DISTRICT
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

POST EMPLOYER HEALTH CARE BENEFITS

Effective June 15, 1999, the district is offering an early retirement benefit to all current and future classified employees between the ages of sixty-two (62) and sixty-five (65) who are fully vested in and eligible to retire in the Fidelity Employees' Retirement System at the time of retirement. The district will pay the entire cost of the retiree portion of the retiring employee's medical insurance premium until the employee reaches the age of sixty-five (65) and becomes eligible for medical insurance primary coverage, or until revoked by the commitment or the retiring employee fails to submit payment to the district for his/her portion of the premium by the fifth day of the month in which the premium is due. The cost of retiree's health care benefits is recognized as an expenditure when the related premium liability is incurred. For 1999, the district did not incur any costs related to post-employee health care benefits.

TOTAL COLLAPSE ON FINANCIAL STATEMENTS - OVERVIEW

Total collapse on the financial statements - overview are captioned Memorandum Only to indicate that they are prepared only to facilitate financial analysis. Data in these columns do not present financial condition or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a municipality.

ENCUMBRANCES

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to ensure that portions of the applicable appropriations, is not employed by the District.

NOTE B - CASH AND INVESTMENTS

The District has deposits in checking accounts at a local financial institution. The District may deposit funds with a fiscal agent bank organized under the laws of Louisiana, any other state in the union or the United States. The District may also invest in time deposits or certificates of deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

State law also requires that deposits be fully collateralized at all times. Acceptable collateralization includes the \$100,000 FDIC/FSLIC insurance and the market value of securities purchased and pledged. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the District or with an unaffiliated bank or trust company for the account of the District.

BOYD LAPOURDE FRESH WATER DISTRICT
Thibodaux, Louisiana

NOTE TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS - Continued

Under a provision of the OASB, pledged securities, which are not in the name of the governmental unit or considered uncollateralized.

Cash and cash equivalents	<u>\$ 81,185</u>
Bank balances of deposits	\$ 92,171
Portion insured by Federal deposit insurance	<u>92,171</u>
Pledged securities under Louisiana law	<u>100,579</u>
Amount secured under Louisiana law	<u>\$</u>

Even though the pledged securities are considered uncollateralized (Category 5) under the provisions of OASB Statement 3, Louisiana Revised Statute 28:2279 imposes a stamping requirement on the custodial bank to advertise and sell the pledged securities within 30-days of being notified by the District that the fiscal agent failed to pay deposited funds upon demand.

The District invests through its broker/dealer in United States government securities. In order to provide an indication of the level of risk assumed by the entity at year end, the investments in United States government securities are Category 1. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. The carrying amount of the securities is \$751,515. The market value is \$751,515.

NOTE C - AD VALOREM TAXES

In 1998, the District was authorized to levy up to 2.00 mills in ad valorem taxes. A 1.55 mill ad valorem tax was levied for the year ended December 31, 1998. This assessment is made on real property and business personal properties located in part of Assumption Parish and within the boundaries of Assumption and Lafourche Parishes.

NOTE D - PENSION PLAN

Substantially all employees of the Boyd Lapourde Fresh Water District are members of the Fatchol Employee Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a trustee board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan B.

All permanent employees working at least 20 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan B, employees who retire at or after the age of 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$200 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 55, with the basic benefit reduced 3 percent for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. Final-average salary

RAYON LAFOURCHE FRESH WATER DISTRICT
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLAN - Continued

is the employee's average salary over the 36 consecutive or joint months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above, and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by RSM 48380.

The System issued an annual publicly available financial report that included financial statements and required supplementary information for the System. That report may be obtained by writing to the Parishial Employees' Retirement System, Post Office Box 34019, Baton Rouge, Louisiana 70898-0019, or by calling (504) 338-1394.

Under Plan B, members are required by state statute to contribute 1.0 percent of their annual covered salary in excess of \$1,200 and the Bayou Lafourche Fresh Water District is required to contribute at an actuarially determined rate. The current rate is 1.0 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the tabulars of the active members of each plan. The contribution requirements of plan members and the Bayou Lafourche Fresh Water District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:325, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Bayou Lafourche Fresh Water District's contributions to the System under Plan B for the years ending December 31, 1996, 1995 and 1994, were \$1,515, \$1,563, and \$1,903, respectively, equal to the required contributions for each year.

NOTE E - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance December 31, 1995	Additions	Deletions	Balance December 31, 1996
Land	\$ 8,783	\$ -	\$ -	\$ 8,783
Plant and properties	1,775,154	-	-	1,775,154
Equipment, furniture and vehicles	<u>675,492</u>	<u>131</u>	<u>(201,489)</u>	<u>674,134</u>
Total	<u>\$ 2,559,429</u>	<u>\$ 131</u>	<u>\$ (201,489)</u>	<u>\$ 2,458,071</u>

BOYCE LAPOINTE'S FRESH WATER DISTRICT
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE F - CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of the long-term debt transactions during the year:

	Compared Amount
Long-term debt at January 1, 1996	\$21,004
Additions	3,491
Deletions	—
Long-term debt at December 31, 1996	<u>\$24,495</u>

NOTE G - LITIGATION

At December 31, 1996, Boyce Lapointe Fresh Water District is involved in litigation which is considered by management to be covered and within the limits of insured coverage. In addition, Boyce Lapointe Fresh Water District is not aware of any unasserted claims or assessments which should be reflected in the accompanying financial statements.

SUPPLEMENTAL INFORMATION

RAYON LAFOURCADE FRESH WATER DISTRICT
Thibodaux, Louisiana

For Items Paid to Board Members
For the Year Ended December 31, 1986

<u>Board Member</u>	<u>Amount</u>
Alfred Des, Jr., Chairman	\$ 600
Hamilton Dentis, Vice-Chairman	500
Peggy Bagale	500
Scott Costard	250
Bruce Suggers	250
Gene Wagnersink	<u>550</u>
	<u>\$ 3,000</u>

**INTERNAL CONTROL AND
COMPLIANCE SECTION**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL-PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Bayou Lafourche Fresh Water District
Thibodaux, Louisiana

We have audited the financial statements of the Bayou Lafourche Fresh Water District for the year ended December 31, 1996 and have issued our report thereon dated May 23, 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. These 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 the Bayou Lafourche Fresh Water District 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 recorded in accordance with management's authorization and recorded properly to permit the preparation of 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 Bayou Lafourche Fresh Water District, for the year ended December 31, 1996, 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific 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. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended solely for the use of management of the District and interested state and federal agencies. However, this report is a matter of public record and its distribution is not limited.

Wagnon & Associates (APAC)

Belle Rose, Louisiana

May 25, 1997

WAGUESPACE & ASSOCIATES

GA Professional Accounting Corporation

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT OF GENERAL-PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners

Bayou Lafourche Fresh Water District

Thibodaux, Louisiana

We have audited the general-purpose financial statements of the Bayou Lafourche Fresh Water District as of and for the year ended December 31, 1986, and have issued our report thereon dated May 23, 1987.

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 financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Bayou Lafourche Fresh Water District is the responsibility of the Bayou Lafourche Fresh Water District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Bayou Lafourche Fresh Water District's 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 herein under Government Auditing Standards.

This report is intended solely for the use of the District, and interested state and federal agencies. However, this report is a matter of public record and its distribution is not limited.

Waguespack + Associates (APAC)

Belle Meade, Louisiana

May 23, 1987