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**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana**

**General Purpose Financial Statements
and Accountant's Compilation Report
As of and for the Year Ended
December 31, 1999
With Supplemental Information Schedule, and
Accountant's Report on Applying Agreed-Upon Procedures
For the Year Ended December 31, 1999**

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

Release Date MAR 22 2000

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana
General Purpose Financial Statements
and Accountant's Compilation Report
As of and for the Year Ended
December 31, 1999
With Supplemental Information Schedule, and
Agreed-Upon Procedures Report
For the Year Ended December 31, 1999**

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RICHARD B. GARRETT
Certified Public Accountant
1537 Frenchman's Bend Road
Monroe, Louisiana 71203

Accountant's Compilation Report

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana**

I have compiled the accompanying general purpose financial statements and the supplemental information schedule of Consolidated Water District No. 2 of Morehouse Parish, a component unit of the Morehouse Parish Police Jury, as of and for the year ended *December 31, 1999*, as listed in the foregoing table of contents, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements and schedules, information that is the representation of management. I have not audited or reviewed the accompanying general purpose financial statements and schedule and, accordingly, do not express an opinion or any other form of assurance on them.



Richard B. Garrett

Monroe, Louisiana
March 10, 2000

Statement A

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana
PROPRIETARY FUND - ENTERPRISE FUND
(All Fund Types and Account Groups)**

Balance Sheet, December 31, 1999

ASSETS

Current assets:

Cash and cash equivalents (note 2)	\$407,595
Accounts receivable - water sales	13,206
Inventory (note 1-H)	18,780
Total current assets	<u>439,581</u>
Restricted assets - cash and cash equivalents (note 2)	<u>28,907</u>
Property, plant, and equipment	570,070
Less accumulated depreciation	<u>(313,852)</u>
Net property, plant, and equipment (note 3)	<u>256,218</u>

TOTAL ASSETS

\$724,706

LIABILITIES AND FUND EQUITY

Liabilities - current liabilities (payable from current assets):

Accounts payable	\$7,414
Taxes payable	403
Total current liabilities (payable from current assets)	<u>7,817</u>
Long-term liabilities (payable from restricted assets) - customer deposits	<u>28,907</u>
Total Liabilities	<u>36,724</u>
Fund Equity - retained earnings - unreserved	<u>687,982</u>

TOTAL LIABILITIES AND FUND EQUITY

\$724,706

The accompanying notes are an integral part of this statement.

Statement B

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana
PROPRIETARY FUND - ENTERPRISE FUND**

**Statement of Revenues, Expenses, and
Changes in Retained Earnings
For the Year Ended December 31, 1999**

OPERATING REVENUES

Water sales	\$186,824
Installation and connection fees	15,672
Total operating revenues	<u>202,496</u>

OPERATING EXPENSES

Salaries	80,973
Per diem (Schedule 1)	2,100
Employee benefits	10,405
Operating services	31,999
Office expenses	6,844
Maintenance, repairs, and materials	31,522
Depreciation	20,678
Professional services	1,400
Other	242
Total operating expenses	<u>186,163</u>

OPERATING INCOME (LOSS)

16,333

NONOPERATING REVENUES

Insurance proceeds	857
Loss on sale of asset	(11,257)
Use of money and property - interest income	22,022
Total nonoperating revenues	<u>11,622</u>

NET INCOME

27,955

RETAINED EARNINGS AT BEGINNING OF YEAR

660,027

RETAINED EARNINGS AT END OF YEAR

\$687,982

The accompanying notes are an integral part of this statement.

Statement C

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana
PROPRIETARY FUND - ENTERPRISE FUND**

**Statement of Cash Flows
For the Year Ended December 31, 1999**

Cash flows from operating activities:		
Cash received from customers	\$201,383	
Cash payments to suppliers and employees	(160,943)	
Meter deposits from members (net)	1,478	
State sales tax (net)	63	
Net cash provided (used) by operating activities		\$41,981
Cash flows from capital and related financing activities:		
Insurance proceeds	857	
Purchase of fixed assets	(21,265)	
Net cash provided (used) by capital and related financing activities		(20,408)
Cash flows from investing activities - interest		
income from time deposits		22,022
Net increase in cash and cash equivalents		43,595
Cash and cash equivalents at beginning of year		392,907
Cash and cash equivalents at end of year		<u>\$436,502</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)		<u>\$16,333</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation		20,678
Changes in assets and liabilities:		
Increase/decrease in:		
Accounts receivable		(1,114)
Inventory		1,530
Accounts payable - operating		3,568
Customer deposits		986
Total adjustments		<u>25,648</u>
Net cash provided (used) by operating activities		<u>\$41,981</u>

The accompanying notes are an integral part of this statement.

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana**

Notes to the Financial Statements
As of and for the Year Ended
December 31, 1999

INTRODUCTION

Consolidated Water District No. 2 of Morehouse Parish was created by the Morehouse Parish Police Jury as authorized by Louisiana Revised Statute 33:3811. The water district is governed by a five member board of commissioners who are residents of, and own real estate in, the district. The board is appointed by the police jury and is responsible for providing water service to users within the boundaries of the district. The water district serves approximately 1185 customers and consists of approximately 124 miles of water system in rural Morehouse Parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of Consolidated Water District No. 2 of Morehouse Parish, a component unit of the Morehouse Parish Police Jury, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Morehouse Parish Police Jury is the financial reporting entity for Morehouse 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 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 Statement No. 14 established criteria for determining which component units should be considered part of the Morehouse Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana
Notes to the Financial Statements (Continued)**

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 fiscally 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.

Because the police jury appoints the members of the governing board, because of the scope of public service, and because the district is located within the geographical jurisdiction of the police jury, the district was determined to be a component unit of the Morehouse Parish Police Jury, the financial reporting entity. The accompanying general purpose 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 that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

Consolidated Water District No. 2 of Morehouse Parish is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana
Notes to the Financial Statements (Continued)**

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund uses the cash basis of accounting. However, the Enterprise Fund reported in the accompanying general purpose financial statements has been converted to an accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. The Enterprise Fund uses the following practices in recording certain revenues and expenses:

Revenues

Water sales are recorded when earned by the water district. Water bills are due and payable to the water district by the fifteenth day of the month following receipt of the service.

Connection and installation fees are recorded when the services are performed and due to the water district.

Interest earnings on time deposits and demand deposits are recorded at the end of each month when credited by the bank.

Expenses

All expenses are recognized when incurred.

E. BUDGETS

Generally accepted accounting principles as applied to governmental units do not require the preparation of a budget for Proprietary - Enterprise Funds. Additionally, Louisiana law has not required that districts of this nature prepare and adopt annual budgets for operations. Therefore, a budget comparison is not presented in the accompanying general purpose financial statements.

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana
Notes to the Financial Statements (Continued)**

F. ENCUMBRANCES

The district does not use encumbrance accounting in its accounting system.

G. CASH AND CASH EQUIVALENTS

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

H. INVENTORY

Inventory consists of parts and expendable supplies and is recorded as an expense when consumed. Inventory is valued at market, which approximates cost.

I. RESTRICTED ASSETS

Meter deposits in the Enterprise Fund are classified as restricted assets on the balance sheet because their use is limited by liability to customers.

J. FIXED ASSETS

Fixed assets, and accumulated depreciation thereon, of the water district are included on the balance sheet of the Enterprise Fund. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the property as follows:

Water systems, tanks, and wells	40 years
Equipment and buildings	5-20 years

K. COMPENSATED ABSENCES

The district has three salaried employees and one hourly employee. All employees are granted up to 2 weeks annual leave depending on length of service. The leave is non-cumulative. Upon termination, employees are not paid for unused vacation leave. Salaried employees are granted sick leave on an as needed basis.

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana
Notes to the Financial Statements (Continued)**

At December 31, 1999, there are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure to conform with GASB Codification Section C60.

2. CASH AND CASH EQUIVALENTS

At December 31, 1999, the water district has cash and cash equivalents (book balances) totaling \$436,502, as follows:

Interest-bearing demand deposits	\$136,519
Time deposits	299,783
Petty Cash	<u>200</u>
Total	<u>\$436,502</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. 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. At December 31, 1999, the water district has \$436,716 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$236,716 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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 water district that the fiscal agent has failed to pay deposited funds upon demand.

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana
Notes to the Financial Statements (Concluded)**

3. FIXED ASSETS

A summary of fixed assets at December 31, 1999, follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$1,000		\$1,000
Buildings and equipment	108,993	(\$43,435)	65,558
Water systems, tanks and wells	<u>460,077</u>	<u>(270,417)</u>	<u>189,660</u>
Total	<u>\$570,070</u>	<u>(\$313,852)</u>	<u>\$256,218</u>

4. PENSION PLAN

The employees of Consolidated Water District No. 2 of Morehouse Parish are members of the Social Security System. In addition to the employee contribution withheld at 6.2 per cent of gross salary, the water district contributes an equal amount to the Social Security System. Aggregate pension cost for the year was \$10,032. The water district does not guarantee the benefits granted by the Social Security System.

5. OTHER POSTEMPLOYMENT BENEFITS

The water district provides no postretirement health care and life insurance benefits to former employees.

6. LITIGATION AND CLAIMS

At December 31, 1999, the water district is not involved in any litigation nor is management aware of any claims.

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 1999**

PER DIEM PAID BOARD MEMBERS

The schedule of per diem paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 33:3819, board members receive \$35 for regular meetings and \$25 for special meetings attended.

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana**

**Schedule of Per Diem Paid Board Members
For the Year Ended December 31, 1999**

	<u>NUMBER</u>	<u>AMOUNT</u>
Douglas Goyne	12	\$400
Derrell Bray	11	375
Bud Morrison	12	410
Wyatt Smith, President	13	435
Floyd Tomboli	2	60
John Williams	12	<u>420</u>
 Total		 <u>\$2,100</u>

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana**

**Independent Accountant's Report on Applying
Agreed-Upon Procedures
For the Year Ended December 31, 1999**

RICHARD B. GARRETT
Certified Public Accountant
1537 Frenchman's Bend Road
Monroe, Louisiana 71203

Independent Accountant's Report
on Applying Agreed-Upon Procedures

CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the Board of Commissioners of Consolidated Water District No. 2 of Morehouse Parish, a component unit of the Morehouse Parish Police Jury, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Consolidated Water District No. 2 of Morehouse Parish's compliance with certain laws and regulations for the year ended December 31, 1999, 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 representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Review the board minutes and all expenditures made during the year ended December 31, 1999, for material and supplies exceeding \$7,500, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

During the year the water district made one purchase that fell under the guidelines of the public bid law. The district purchased a generator for \$17,370 in January 1999. The water district declared an emergency to purchase the generator. The emergency was recorded in the minutes. An emergency was declared because of a forecasted ice storm. There had been an ice storm 2 weeks earlier and the water district lost power resulting in many problems for the district. Therefore, when

RICHARD B. GARRETT

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH**

Morehouse Parish Police Jury
Bastrop, Louisiana
Agreed-Upon Procedures Report
March 10, 2000
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another ice storm was forecast, the water district declared an emergency to purchase the generator to avoid another possible electrical outage. The district received 3 quotes and accepted the low quote. The board complied with the provisions of LSA-RS 38:2211-2251, the "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 commissioner as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interest of the commissioners and the employees, as well as their immediate families.

Management provided me with the requested list which included all of the noted information.

3. Obtain from management payroll data for all employees paid for the year ended December 31, 2000.

Management provided me the requested payroll data.

4. Determine whether any of the employees paid during the year, per the payroll data in agreed-upon procedure no. 3, were included on the list from management of immediate family members, per agreed-upon procedure no. 2.

None of the employees included in the payroll data (agreed-upon procedure no. 3) were included on the list from management of immediate family members (agreed-upon procedure no. 2).

RICHARD B. GARRETT

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH**

Morehouse Parish Police Jury
Bastrop, Louisiana
Agreed-Upon Procedures Report
March 10, 2000
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Accounting and Reporting

5. Randomly select 6 disbursements made during the year ended December 31, 1999, and:

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

I examined the supporting documentation for each of the six 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 general ledger account; and

I examined the documentation of each expenditure to determined that the expenditure had been charged to the proper account code. All expenditures were charged to the proper general ledger account code.

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

Three of the six expenditures examined were for insurance and miscellaneous expenditures. Expenditures of this type, which are supported by an invoice, are approved by a commissioner initialing the invoice indicating approval for payment. Another of the expenditures examined was for the write-off of bad debt expense. Debts are determined to be bad by the secretary-treasurer when the customer has moved and can no longer be located. Two expenditures were for the monthly salary of an employee. Salaries are set by the board of commissioners. All six expenditures examined were properly approved in accordance with the above described criteria.

RICHARD B. GARRETT

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH**

Morhouse Parish Police Jury
Bastrop, Louisiana
Agreed-Upon Procedures Report
March 10, 2000
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Meetings

6. Examine evidence indicating that agendas for meetings in which minutes were recorded were posted as required by LSA-RS 42:1 - 12 (the open meetings law).

Consolidated Water District No. 2 is required to post a notice of each meeting and the accompanying agenda on the front gate of the district's office. Although management has asserted that such documents were properly posted and management provided me copies of the documents, I cannot determine if the documents were actually posted because there is no evidence to support this. The water district did post a notice in the newspaper in January 1999, stating that the district's board meets the second Tuesday of each month at 6:00 PM in the district office.

Debt

7. Read the minutes of all board meeting for the year ended December 31, 1999, and examine bank deposits for the period under examination to determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

A reading of the minutes of the water district for the year ended December 31, 1999 and an examination of the bank deposits for the period under examination, did not indicate any deposits or authorization for bank loans, bonds, or like indebtedness.

Advances and Bonuses

8. Examine all disbursements in the cash disbursement journal for the year ended December 31, 1999, and read the minutes for the year to determine whether any payments have been made to employees which may constitute a bonus, advance, or gifts.

RICHARD B. GARRETT

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH**

Morehouse Parish Police Jury
Bastrop, Louisiana
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March 10, 2000
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A reading of the minutes of the water district for the year ended December 31, 1999, did not indicate any approval for such payments. Examination of the expenditures in the cash disbursements journal did not disclose any instances of payments to employees which would constitute a bonus, advance or gift.

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 Consolidated Water District No. 2 of Morehouse Parish, a component unit of the Morehouse Parish Police Jury, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Richard B. Garrett

Monroe, Louisiana
March 10, 2000

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana**

**Corrective Action Taken on Prior Year Findings
For the Year Ended December 31, 1999**

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS

In accordance with the *Louisiana Governmental Audit Guide* a schedule of corrective action taken on prior year findings has been included.

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana**

**Corrective Action Taken on Prior Year Findings
For the Year Ended December 31, 1999**

In the attestation report for the year ended December 31, 1998, there were no findings reported.

**CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH
MOREHOUSE PARISH POLICE JURY
Bastrop, Louisiana**

**Louisiana Attestation Questionnaire
For the Year Ended December 31, 1999**

CONSOLIDATED WATER DISTRICT NO. 2
OF MOREHOUSE PARISH, LOUISIANA
7125 Pine Grove Loop
BASTROP, LOUISIANA

February 8, 2000

Richard B. Garrett, CPA
1537 Frenchman's Bend Road
Monroe, Louisiana 71203

Dear Mr. Garrett

In connection with your agreed-upon procedures engagement for the year ended December 31, 1999, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we made the following representation to you. We accept full responsibility for our compliance with the following laws and regulations 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 February 8, 2000.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212.

Yes (x) No ()

Code of Ethics for Public Officials and Public Employees

It is true that no employees or commissioners has 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 (x) No ()

It is true that no member of the immediate family of any member of the board of commissioners of the water district has been employed by the water district after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes (x) No ()

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:43).

Yes (x) 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 (x) No ()

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:464, and/or 39:92, as applicable.

Yes (x) No ()

We have had our financial statements compiled in accordance with LSA-RS 24:513.

Yes (x) No ()

Meetings

We have complied with the provisions of the Open Meetings Law, provided in LSA-RS 42:1 through 42:12.

Yes (x) 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 47:1410.60.

Yes (x) 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 (x) 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.

Wyatt Smith
(President)

2-8-2000
(Date)

Betty Russ
(Secretary)

2-8-2000
(Date)