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**LAWTELL WATERWORKS  
DISTRICT NO. ONE  
OF ST. LANDRY PARISH**  
Lawtell, Louisiana

**Financial Report**

**Year Ended June 30, 2007**

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

Release Date 10/10/07

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# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## ACCOUNTANTS' REVIEW REPORT

Retired:  
Conrad O. Chapman, CPA\* 2006  
Harry J. Clostio, CPA 2007

\* A Professional Accounting Corporation

WEB SITE:  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

The Board of Directors  
Lawtell Waterworks District  
No. One of St. Landry Parish  
Lawtell, Louisiana

We have reviewed the accompanying financial statements of the business-type activities and major fund of Lawtell Waterworks District No. One of St. Landry Parish (District), a component unit of the St. Landry Parish Council, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Lawtell Waterworks District No. One of St. Landry Parish (District).

A review consists principally of inquiries of District personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Management has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be part of, the basic financial statements.

***Kolder, Champagne, Slaven & Company, LLC***

Certified Public Accountants

Lafayette, Louisiana  
September 5, 2007

Member of:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Member of:  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**BASIC FINANCIAL STATEMENTS**

LAWTELL WATERWORKS DISTRICT NO. ONE  
OF ST. LANDRY PARISH  
Lawtell, Louisiana

Comparative Statements of Net Assets  
June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Current assets:		
Cash and interest-bearing deposits	\$136,949	\$ 96,717
Certificate of deposit	204,638	135,388
Accounts receivable (net)	48,325	41,530
Prepaid expenses	<u>10,426</u>	<u>7,347</u>
Total current assets	400,338	280,982
Restricted assets:		
Cash and interest-bearing deposits	28,508	28,003
Net capital assets	<u>525,142</u>	<u>559,871</u>
Total assets	<u>\$953,988</u>	<u>\$868,856</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable	\$ 3,998	\$ 8,822
Payroll taxes payable	1,963	2,828
Sales taxes payable	<u>123</u>	<u>176</u>
Total current liabilities	6,084	11,826
Current liabilities (payable from restricted asset):		
Meter deposits	<u>27,896</u>	<u>27,641</u>
Total liabilities	<u>33,980</u>	<u>39,467</u>
Net assets:		
Invested in capital assets	525,142	559,871
Unrestricted	<u>394,866</u>	<u>269,518</u>
Total net assets	<u>920,008</u>	<u>829,389</u>
Total liabilities and net assets	<u>\$953,988</u>	<u>\$868,856</u>

See accompanying notes and accountants' report.

LAWTELL WATERWORKS DISTRICT NO. ONE  
OF ST. LANDRY PARISH  
Lawtell, Louisiana

Comparative Statements of Revenues, Expenses, and Changes in Net Assets  
Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>Operating revenues:</b>		
Water sales	\$ 325,120	\$ 316,253
Connection charges	7,510	11,778
Other income	<u>12,958</u>	<u>12,313</u>
Total operating revenues	<u>345,588</u>	<u>340,344</u>
<b>Operating expenses:</b>		
Advertising and Promotion	513	553
Auto and truck	10,143	10,841
Bank charges	220	119
Burglar alarm	360	-
Chemicals	14,872	16,147
Conventions and seminars	769	2,155
Depreciation	37,250	36,718
Dues and subscriptions	900	550
Insurance	26,984	29,597
Legal and accounting	7,555	11,450
Mileage	853	479
Miscellaneous expense	16	640
Office expense	8,185	9,419
Rental equipment	130	1,720
Repairs and maintenance	18,749	28,458
Retirement plan	2,196	1,214
Safe water drinking program	3,214	3,213
Salaries	91,429	99,799
Salaries - board members	7,020	4,740
Supplies	103	1,940
Taxes - payroll	7,671	8,314
Telephone	4,056	4,410
Uniforms	1,719	1,950
Utilities	15,382	18,272
Utility line clearance	<u>491</u>	<u>540</u>
Total operating expenses	<u>260,780</u>	<u>293,238</u>
Operating income	84,808	47,106
<b>Nonoperating income (expenses):</b>		
Interest income	<u>5,811</u>	<u>1,979</u>
Net income	90,619	49,085
Net assets, beginning of year	<u>829,389</u>	<u>780,304</u>
Net assets, end of year	<u>\$ 920,008</u>	<u>\$ 829,389</u>

See accompanying notes and accountants' report.

LAWTELL WATERWORKS DISTRICT NO. ONE  
OF ST. LANDRY PARISH  
Lawtell, Louisiana

Comparative Statements of Cash Flows  
Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows provided from operating activities:		
Receipts from customers	\$325,835	\$325,588
Payments to suppliers	(123,780)	(146,582)
Payments to employees	(108,316)	(109,327)
Other receipts	<u>12,958</u>	<u>12,313</u>
Net cash flows provided from operating activities	<u>106,697</u>	<u>81,992</u>
Cash flows used by capital and related financing activities:		
Purchase of property, plant and equipment	<u>(2,521)</u>	<u>(84,957)</u>
Cash flows provided from (used by) investing activities:		
Maturities of certificate of deposit with maturity in excess of ninety days	135,388	133,576
Purchase of certificate of deposit with maturity in excess of ninety days	(204,638)	(135,388)
Interest earned	<u>5,811</u>	<u>1,979</u>
Net cash flows provided from (used by) investing activities	<u>(63,439)</u>	<u>167</u>
Net increase (decrease) in cash and cash equivalents	40,737	(2,798)
Cash and cash equivalents, beginning of period	<u>124,720</u>	<u>127,518</u>
Cash and cash equivalents, end of period	<u>\$165,457</u>	<u>\$124,720</u>

(continued)

LAWTELL WATERWORKS DISTRICT NO. ONE  
OF ST. LANDRY PARISH  
Lawtell, Louisiana

Comparative Statement of Cash Flows (Continued)  
Years Ended June 30, 2007 and 2006

	2007	2006
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 84,808	\$ 47,106
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	37,250	36,718
Changes in assets and liabilities:		
Increase in accounts receivable	(6,795)	(6,829)
Increase in allowance for uncollectible accounts	-	1,525
(Increase) decrease in prepaid insurance	(3,079)	92
Increase (decrease) in accounts payable	(4,824)	2,518
Increase (decrease) in payroll taxes payable	(865)	43
Increase (decrease) in sales tax payable	(53)	64
Increase in customer meter deposits	255	755
Net cash provided by operating activities	106,697	81,992
<b>Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:</b>		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 96,717	\$ 100,632
Cash - restricted	28,003	26,886
Total cash and cash equivalents	124,720	127,518
Cash and cash equivalents, end of period -		
Cash - unrestricted	136,949	96,717
Cash - restricted	28,508	28,003
Total cash and cash equivalents	165,457	124,720
Net increase (decrease)	\$ 40,737	\$ (2,798)

See accompanying notes and accountants' report.



LAWTELL WATERWORKS DISTRICT NO. ONE  
OF ST. LANDRY PARISH  
Lawtell, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accounting and reporting policies of the Lawtell Waterworks District No. One of St. Landry Parish (District) conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the industry audit guide, Audits of State and Local Governmental Units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District applies all applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 in accounting and reporting for its proprietary fund operations unless those pronouncements conflict with or contradict GASB pronouncements.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

The Lawtell Waterworks District No. One of St. Landry Parish, Louisiana was created by the St. Landry Parish Council (Council) on June 8, 1965 and is a component unit of the St. Landry Parish Council. As the governing authority of the parish, for reporting purposes, the St. Landry Parish Council is the financial reporting entity for St. Landry Parish.

The financial reporting entity consists of (a) the primary government (Parish Council), (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 St. Landry Parish Council for financial reporting purposes. The basic criterion 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 Council 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 Council.

LAWTELL WATERWORKS DISTRICT NO. ONE  
OF ST. LANDRY PARISH  
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

2. Organizations for which the Council does not appoint a voting majority but are fiscally dependent on the Council.
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 Council appoints a voting majority of the District's governing body and the Council has the ability to impose its will on the District, the District was determined to be a component unit of the St. Landry Parish Council, the financial reporting entity. This report is comprised of a proprietary fund that is administered by the District's Board of Directors and controlled by the St. Landry Parish Council. The accompanying financial statements presents information only on the proprietary fund maintained by the District and does not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

Basic Financial Statements

The statement of net assets, and related statements of revenues, expenses, and changes in fund net assets, and cash flows display information about the reporting government as a whole. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Lawtell Waterworks District No. One of St. Landry Parish, Louisiana does not have governmental activities. Its operation is a business-type activity.

C. Fund Accounting

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

LAWTELL WATERWORKS DISTRICT NO. ONE  
OF ST. LANDRY PARISH  
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

The District maintains only one fund and it is described below:

Proprietary Fund –

Enterprise Fund

The Enterprise fund is 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.

D. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The enterprise fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

The proprietary fund statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

LAWTELL WATERWORKS DISTRICT NO. ONE  
OF ST. LANDRY PARISH  
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

E. Assets, Liabilities, and Equity

Cash and interest-bearing deposits

Cash and interest-bearing deposits is comprised of checking accounts (interest-bearing and non interest-bearing) and certificates of deposit, which are stated at cost, which approximates market. For the purposes of reporting cash flows, all highly liquid investments with maturity at purchase date of three months or less are considered to be cash equivalents.

Receivables

Receivables consist mainly of customer's utility service receivables. The District has a policy of recognizing uncollectible amounts of water billings at the time information becomes available, indicating the uncollectibility of the receivable. Once a customer is listed as inactive, the customer no longer receives a bill, is then considered to be uncollectible and an allowance for uncollectible accounts receivable is established. The allowance for uncollectible accounts receivable was \$14,493 and \$14,493 at June 30, 2007 and 2006, respectively. Unbilled utility service receivable resulting from utility services rendered between the date of meter reading and billing and the end of the month are recorded at year-end. At June 30, 2007 and 2006, the unbilled receivables totaled \$12,877 and \$11,824, respectively.

Inventory

Items that are on hand at June 30, 2007 and 2006 are not recorded as inventory due to immateriality. All items are expensed in the year purchased.

Capital Assets

Capital assets include property, plant and equipment. They are reported at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$250 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method and the modified accelerated cost recovery method. The estimated useful lives are as follows:

LAWTELL WATERWORKS DISTRICT NO. ONE  
OF ST. LANDRY PARISH  
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

Furniture, fixtures & equipment	4-7 years
Building	15-39 years
Water system and improvements	15-50 years

**Restricted assets**

Restricted assets include cash and interest-bearing deposits that are legally restricted as to their use. The restricted assets are related to the utility meter deposits.

**Compensated Absences**

Full-time employees of the District earn three weeks of vacation per year and take sick leave as it is needed. There is no formal policy on carrying over leave time not used.

**Equity Classifications**

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The District uses unrestricted assets only when restricted assets are fully depleted.

**F. Revenues and Expenses**

**Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

LAWTELL WATERWORKS DISTRICT NO. ONE  
OF ST. LANDRY PARISH  
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

G. Budgets and Budgetary Accounting

The District is not required to adopt a budget for its Proprietary Fund under Louisiana Revised Statute 39:1303.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Accounts Receivable

Accounts receivable is comprised of uncollected billed and unbilled utility services at June 30, 2007 and 2006 as follows:

	2007	2006
Uncollected billed receivable	\$ 49,941	\$ 44,199
Allowance for doubtful accounts	(14,493)	(14,493)
Unbilled receivable	12,877	11,824
Total accounts receivable	\$ 48,325	\$ 41,530

LAWTELL WATERWORKS DISTRICT NO. ONE  
OF ST. LANDRY PARISH  
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

(3) 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 the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2007 and 2006, the District had cash and interest-bearing deposits (book balances) totaling \$370,095 and \$260,108, respectively, as follows:

	2007	2006
Interest-bearing demand deposits	\$ 165,457	\$ 124,720
Time deposits	204,638	135,388
Total cash and interest-bearing deposits	\$ 370,095	\$ 260,108

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. Under state law, deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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 District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2007 and 2006, are secured as follows:

	2007	2006
Bank balances	\$ 377,456	\$ 264,009
Federal deposit insurance	200,000	200,000
Pledged securities	177,456	64,009
Total FDIC insurance and pledged securities	\$ 377,456	\$ 264,009

As of June 30, 2007, the District's total bank balances were fully insured and collateralized with securities held in the name of the District by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

LAWTELL WATERWORKS DISTRICT NO. ONE  
OF ST. LANDRY PARISH  
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the years ended June 30, 2007 and 2006 was as follows:

	Balance 7/1/2006	Increases	Decreases	Balance 6/30/2007
Land	\$ 5,411	\$ -	\$ -	\$ 5,411
Water system	1,032,993	-	-	1,032,993
Buildings and improvements	124,823	-	-	124,823
Furniture, fixtures and equipment	106,840	2,521	-	109,361
Total	1,270,067	2,521	-	1,272,588
Less: Accumulated depreciation	710,196	37,250	-	747,446
Net property, plant, and equipment	<u>\$ 559,871</u>	<u>\$ (34,729)</u>	<u>\$ -</u>	<u>\$ 525,142</u>

Depreciation expense for the years ended June 30, 2007 and 2006 was \$37,250 and \$36,718, respectively.

(5) Compensation of Board Members

A detail of compensation paid to the board members for the years ended June 30, 2007 and 2006 is as follows:

	2007	2006
<u>Board Members - Current</u>		
Michael Lafleur	\$ 1,360	\$ 900
Theresa Faul	1,340	960
Stanley Guidry	1,440	960
Gloria Ned	1,440	960
Linda Babineaux	1,440	960
Total	<u>\$ 7,020</u>	<u>\$ 4,740</u>



LAWTELL WATERWORKS DISTRICT NO. ONE  
OF ST. LANDRY PARISH  
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Water Rates

The water rate schedule (per month) for commercial and residential customers during the years ended June 30, 2007 and 2006 is as follows:

	<u>2007</u>	<u>2006</u>
First 2,000 gallons - - minimum	\$ 10.00	\$ 10.00
All over 2,000 gallons - - per 1,000 gallons	3.45	3.05

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## ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Board of Directors of  
Lawtell Waterworks District No. One  
Of St. Landry Parish  
Lawtell, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Lawtell Waterworks District No. One of St. Landry Parish (District), Lawtell, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended June 30, 2007 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedure 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, we 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. Select all expenditures made during the year for material and supplies exceeding \$20,000 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).

There were no expenditures made during the year ended June 30, 2007 for material and supplies exceeding \$20,000, or public works exceeding \$100,000.

### ***Code of Ethics for Public Officials and Public Employees***

2. Obtain from management a list of the immediate family members of management as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all employees, as well as their immediate families.

Management provided us with the required list including the noted information.

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Member of:  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

Management provided a listing of all employees paid.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

No employees obtained from management in agreed-upon procedure (3) were included on the listing obtained from management in agreed-upon procedure (2).

### ***Budgeting***

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

The District is not required to adopt a budget for its Proprietary Fund under Louisiana Revised Statute 39:1303.

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

Not applicable, see step 5.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by more than 5%.

Not applicable, see step 5.

### ***Accounting and Reporting***

8. Randomly select 6 disbursements made during the period under examination and:

- a. trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. determine if payments were properly coded to the correct fund and general ledger account;

All payments were properly coded to the correct fund and general ledger account.

- c. determine whether payments received approval from proper authorities;

Inspection of documentation supporting each of the six selected disbursements indicated approval from the proper authorities.

### ***Meetings***

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

The District posted a notice of each meeting and the accompanying agenda as required by LSA-RS 42:1 through 42:12 (the open meetings law).

### ***Debt***

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits, which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### ***Advances and Bonuses***

11. Examine payroll records for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

We examined the payroll records for the year and concluded that no payments have been made to employees, which may constitute bonuses, advances, or gifts.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The results of our procedures disclosed no instance of noncompliance.

This report is intended solely for the use of management of the Lawtell Waterworks District No. One of St. Landry Parish 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
September 5, 2007

Lawtell Water District #1  
P.O. Box 609  
Lawtell, Louisiana 70550  
(337) 543-7635

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

June 29, 2007 (Date Transmitted)

Kolder, Champagne, Slaven & Company, LLC  
183 South Beadle  
Lafayette, Louisiana 70508

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and 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 (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [] No [ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No [ ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No [ ]

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

Yes [] No [ ]

**Meetings**

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

Yes [] No [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

*Stavia Ned* Secretary 6-28-07 Date  
*[Signature]* Treasurer 6-28-07 Date  
*Michael Lopez* President 6/28/07 Date

LAWTELL WATERWORKS DISTRICT NO. ONE  
 OF ST. LANDRY PARISH  
 Lawtell, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
 and Corrective Action Plan  
 Year Ended June 30, 2007

<u>Fiscal Year</u> <u>Finding</u> <u>Initially</u> <u>Occurred</u>	<u>Description of Finding</u>	<u>Corrective</u> <u>Action</u> <u>Taken</u>	<u>Corrective Action Planned</u>	<u>Name of</u> <u>Contact</u> <u>Person</u>	<u>Anticipated</u> <u>Completion</u> <u>Date</u>
<b>CURRENT YEAR (6/30/07) --</b>					
	No findings noted.				
<b>PRIOR YEAR (6/30/06) --</b>					
<u>Management Letter:</u>					
06-1(ML) Unknown	The District has not maintained an accurate listing of their customer meter deposits. It is recommended that the District review their customer meter deposit listing to ensure that balances owed to customers and refunds are properly posted to the individual accounts.	Yes	Client agrees and has entered individual customer deposits into the water billing software system. Beginning in the month of August, 2006, a listing of customer meter deposits will be printed from the billing software system and will be reconciled to the activity for the month and the general ledger control balance at month end.	Barbara Moore, Office Manager	8/31/2006
06-2(ML) Unknown	The District is utilizing manual methods to track various forms of revenue, such as meter deposits, connection fees, meter fees, and boring fees. It is recommended that management utilize their billings system to record these items rather than tracking them manually.	Yes	Management has upgraded their Utility Billing System and has obtained more training to utilize all functions available within this system.	Barbara Moore, Office Manager	12/31/2005