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TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2006

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 1-10-07

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JOHN S. DOWLING & COMPANY
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
1904-1984
John Newton Stout, CPA
1936-2005

Retired

Harold Dupre, CPA
1996
Dwight Ledoux, CPA
1998
Joel Lanclos, Jr., CPA
2003
Russell J. Stelly, CPA
2005

ACCOUNTANT'S REVIEW REPORT

The Board of Commissioners
Te Mamou Water District
Ville Platte, Louisiana

We have reviewed the accompanying financial statements of the business-type activity of Te Mamou Water District, a component unit of the Evangeline Parish Police Jury, as of and for the year ended June 30, 2006, 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 Te Mamou Water District.

A review consists principally of inquiries of the District's 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.

The other supplementary information as listed in the table of contents on pages 11-16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

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

John S. Dowling & Company

Opelousas, Louisiana
December 6, 2006

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2006

A S S E T S

CURRENT ASSETS

Cash on hand	\$300
Citizens Bank	147,829
Accounts receivable	41,413
Prepaid insurance	10,903
<u>Total current assets</u>	<u>200,445</u>

PROPERTY, PLANT, AND EQUIPMENT

Water system	1,363,570
Office building	18,041
Office equipment	12,128
	<u>1,393,739</u>
Less: Allowance for depreciation	(678,151)
	715,588
Land	16,109
<u>Total property, plant, and equipment</u>	<u>731,697</u>

OTHER ASSETS

Meter deposits	12
<u>Total assets</u>	<u>932,154</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$3,791
Safe drinking water tax payable	2,189
Customer meter deposits	40,440
Current portion of long-term debt	36,031
<u>Total current liabilities</u>	<u>82,451</u>

LONG-TERM LIABILITIES

Mortgage note payable	61,503
Less current portion of long-term debt	(36,031)
<u>Total long-term liabilities</u>	<u>25,472</u>

Total liabilities 107,923

NET ASSETS

Invested in capital assets, net of related debt	670,194
Unrestricted	154,037
<u>Total net assets</u>	<u>824,231</u>

Total liabilities and net assets 932,154

See accompanying notes and accountant's review report.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

<u>OPERATING REVENUES</u>	
Water sales	\$238,605
Service charges	3,312
Installation charges	1,950
Late charges	2,378
Miscellaneous	720
<u>Total operating revenues</u>	<u>246,965</u>
<u>OPERATING EXPENSES</u>	
Current	
Salaries	21,299
Contract labor	14,223
Payroll taxes	3,557
Directors' compensation	34,292
Vehicle expense	2,218
Postage	2,097
Insurance	12,759
Legal and accounting	3,250
Chlorine	3,635
Repairs and maintenance	15,187
Office expenses	497
New installation expense	1,950
Utilities	33,515
Miscellaneous	2,511
Depreciation	35,167
<u>Total operating expenses</u>	<u>186,157</u>
<u>OPERATING INCOME</u>	<u>60,808</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>	
Interest earnings	1,359
Interest on debt	(4,452)
<u>Total nonoperating revenues (expenses)</u>	<u>(3,093)</u>
<u>CHANGE IN NET ASSETS</u>	57,715
<u>NET ASSETS, beginning of year</u>	<u>766,516</u>
<u>NET ASSETS, end of year</u>	<u>824,231</u>

See accompanying notes and accountant's review report.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash received from customers	\$242,020
Cash paid to suppliers	(81,613)
Cash paid to employees	(69,814)
<u>Net cash provided by operating activities</u>	<u>90,593</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</u>	
<u>ACTIVITIES</u>	
Purchase of property, plant, and equipment	(2,990)
Principal payments on note	(34,120)
Interest payments on note	(4,452)
<u>Net cash used by capital and</u>	
<u>related financing activities</u>	<u>(41,562)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest earned	1,359
<u>Net provided by investing activities</u>	<u>1,359</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	50,390
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>97,739</u>
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>148,129</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>	
<u>PROVIDED BY OPERATING ACTIVITIES</u>	
Operating income	\$60,808
Adjustments to reconcile operating income to net	
cash provided by operating activities:	
Depreciation	35,167
Changes in assets and liabilities	
(Increase) decrease in accounts receivable	(8,978)
(Increase) decrease in prepaid expense	(1,144)
Increase (decrease) in payables	575
Increase (decrease) in renters' deposits	4,165
<u>Net cash provided by operating activities</u>	<u>90,593</u>

See accompanying notes and accountant's review report.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF ACTIVITIES

Te Mamou Water District is governed by a five member board of commissioners, appointed by the Evangeline Parish Police Jury, who are authorized to construct, maintain, and improve the Waterworks System within the District.

B. SCOPE OF ENTITY

As the governing authority of the parish, for reporting purposes, the Evangeline Parish Police Jury is the financial reporting entity for Evangeline 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 Evangeline Parish Police Jury 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 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 a voting majority of the Water District's governing body and the Police Jury has the ability to impose its will on the Water District, the Water District was determined to be a component unit of the Evangeline Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Water 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.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statements of Net Assets displays information on all of the non-fiduciary activities of Te Mamou Water District, as a whole. They include the proprietary fund of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS.

D. FUND ACCOUNTING

The accounts of Te Mamou Water District are organized in one fund, which is considered a separate accounting entity. The operations of the fund are accounted for by self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses. The fund presented in the financial statements is described as follows:

Proprietary Fund

Proprietary funds are used to account for operations that are financed and operated in a manner 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.

E. MEASUREMENT FOCUS AND 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

On the Statement of Net Assets, business-type activities are presented using the economic resources measurement focus.

The proprietary 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

In the Statement of Net Assets, business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Unbilled and billed utility receivables are recorded at year-end. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year, unless material.

Proprietary funds are reported in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principle operating revenues for proprietary funds are charges to customers for sales or services. Principle operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the District have elected not to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

F. INVESTMENTS

Investments are recorded at cost, which approximates market.

Louisiana statutes authorize Te Mamou Water District to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, the Louisiana Asset Management Pool, or any other federally insured investment.

G. ESTIMATES

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

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. CAPITAL ASSETS

Capital assets (including infrastructure assets), which constitute assets of the Proprietary Fund, are recorded at cost and depreciation is computed under the straight-line method and the modified accelerated cost recovery method. The service lives by type of asset are as follows:

Water system	7-50 years
Equipment	5-10 years
Buildings/improvements	30-31.5 years

Interest costs during construction are not capitalized.

I. BUDGET ACCOUNTING

Te Mamou Water District is not required to adopt a budget for its Proprietary Fund.

J. STATEMENT OF CASH FLOWS

For purposes of reporting cash flows, all highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

K. ENCUMBRANCES

Te Mamou Water District does not employ the encumbrance system of accounting.

L. BAD DEBTS

Te Mamou Water District has a policy of recognizing uncollectible amounts of water billings at the time information becomes available which would indicate the uncollectibility of the receivable.

M. RETIREMENT

The District maintains no retirement system.

N. COMPENSATED ABSENCES

No accrual has been made for vacation or sick pay due to the insignificance of the amounts involved.

NOTE (2) - CASH AND INVESTMENTS

At June 30, 2006, the bank balance of cash in the checking account was \$160,765 and the carrying amount was \$147,829. Of the bank balance of \$160,765, FDIC insurance covers \$100,000 and securities pledged by the bank covers the balance.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE (3) - ACCOUNTS RECEIVABLE

The accounts receivable of the Te Mamou Water District, consist of uncollected billed and unbilled utility services. An aging schedule is as follows:

<u>Days</u>	<u>JUNE 30, 2006</u>	
	<u>Amounts</u>	<u>Approximate Number of Accounts</u>
Current	\$23,739	753
31-60	1,767	79
61-90	22	5
91 and older	-0-	-0-
Unbilled receivables	<u>15,885</u>	
	<u>41,413</u>	

NOTE (4) - PROPERTY, PLANT, AND EQUIPMENT

Capital asset activity for the year ended June 30, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$16,109			\$16,109
Capital assets being depreciated				
Plant and water system	1,363,570			1,363,570
Office building	18,041			18,041
Office equipment	19,819	\$2,991	\$(10,682)	12,128
<u>Total capital assets</u>	<u>1,417,539</u>	<u>2,991</u>	<u>(10,682)</u>	<u>1,409,848</u>
Less accumulated depreciation for:				
Plant and water system	(625,771)	(33,917)		(659,688)
Office building	(9,057)	(580)		(9,637)
Office equipment	(18,839)	(669)	10,682	(8,826)
<u>Total accumulated depreciation</u>	<u>(653,667)</u>	<u>(35,166)</u>	<u>10,682</u>	<u>(678,151)</u>
<u>Total capital assets, net</u>	<u>763,872</u>	<u>(32,175)</u>	<u>-0-</u>	<u>731,697</u>

NOTE (5) - NOTES PAYABLE

Te Mamou Water District has a note payable to Evangeline Bank in the amount of \$61,503 at June 30, 2006. The note is payable in monthly installments of \$3,214.32 including interest at 5.25 percent. The note is secured by a pledge and dedication of the excess of annual revenue of the District above statutory, necessary and usual charges.

Long-term debt at July 1, 2005	\$95,623
Debt retired	<u>(34,120)</u>
	<u>61,503</u>

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE (5) - NOTES PAYABLE - Continued

The annual requirement to amortize debt outstanding as of June 30, 2006 follows:

<u>Years Ended</u> <u>June 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2007	\$2,541	\$36,031	\$38,572
2008	<u>504</u>	<u>25,472</u>	<u>25,976</u>
	<u>3,045</u>	<u>61,503</u>	<u>64,548</u>

NOTE (6) - BOARD MEMBER COMPENSATION

The Board of Commissioners is comprised of five members. The members' compensation varies based on the duties and responsibilities of their office. Board member compensation totaled \$34,292 during the 2006 fiscal year.

NOTE (7) - RISK MANAGEMENT

The District is exposed to risks of loss in the areas of general liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance.

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

December 6, 2006 (Date Transmitted)

John S Dowling Company

P.O. Box 1549

Opelousas, LA 70571-1549

(Auditors)

In connection with your review of our financial statements as of June 30, 2006 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 December 6, 2006.

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 [X] 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 [X] 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 [X] 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 [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, 33:463, and/or 39:92, as applicable.

Yes [X] No []

We have had our financial statements audited or 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 RS 42:1 through 42:12.
Yes [X] No []

Debt

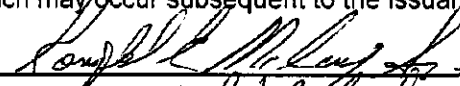


It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974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

	Secretary	<u>12/1/2006</u>	Date
	Treasurer	<u>12/1/2006</u>	Date
	President	<u>12/1/2006</u>	Date

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

The Board of Commissioners
 Te Mamou Water District
 Ville Platte, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Te Mamou Water District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Te Mamou Water District's compliance with certain laws and regulations during the year ended June 30, 2006 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, 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 materials 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).

No expenditures were made during the year for materials 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 each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

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

Management provided us with the required list.

The Board of Commissioners
 Te Mamou Water District
 Page 2

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.

The employees included on the list provided by management {agreed-upon procedure (3)} was not included on the listing obtained in agreed-upon procedure (2).

Budgeting

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

Te Mamou Water District's operations are accounted for in an enterprise fund which is not required to adopt a budget.

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

Te Mamou Water District's operations are accounted for in an enterprise fund which is not required to adopt a budget.

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

Te Mamou Water District's operations are accounted for in an enterprise fund which is not required to adopt a budget.

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 6 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; and

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

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

All payments were properly approved by the Treasurer and the President of the Board of Commissioners.

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).

Te Mamou Water District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office. Management has asserted that such documents were properly posted, and the notices are included with the minutes. The notices were also observed by the reviewer.

The Board of Commissioners
Te Mamou Water District
Page 3

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 which were not disclosed by the Board of Commissioners prior to the start of fieldwork.

Advances and Bonuses

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

A reading of the minutes of the District for the year indicated no approval for any such payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were 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, 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.

This report is intended solely for the use of management of Te Mamou Water District 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.

John S. Dowling & Company

Opelousas, Louisiana
December 6, 2006

TE MAMOU WATER DISTRICT
SCHEDULE OF PRIOR AND CURRENT YEAR FINDINGS AND
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2006

I. PRIOR YEAR FINDINGS:

Compliance

Item 05-1 - The District did not post its meeting notices and agendas as required by the open meeting law.

Status: Resolved

Internal Control Over Financial Reporting

Item 04-1 - Inadequate Segregation of Accounting Functions

Finding: Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.

Status: Unresolved. See item 06-1.

II. CURRENT YEAR FINDINGS AND MANAGEMENT'S CORRECTIVE ACTION PLAN:

Compliance

There are no findings that are required to be reported.

Internal Control Over Financial Reporting

Item 06-1 - Inadequate Segregation of Accounting Functions

Finding: Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.

Management's corrective action plan:

Management has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.