

JEFFERSON COUNTY PUBLIC WATER DISTRICT NO. 1

Schedule of Pay (Dues) Paid
For the Year Ended June 30, 1996

Pay Dates Received	Water Users	Civil Month	Plant Month	Plant Dues	Plant Fees	Rate of Dues
Jul. 1995	43	45	45	45	45	45
Aug.	43	45	45	45	45	45
Sep.	43	45	45	45	45	45
Oct.	43	45	45	45	45	45
Nov.	43	45	45	45	0	45
Dec.	43	45	45	45	45	45
Jan. 1996	43	45	45	45	45	45
Feb.	43	45	45	45	45	45
Mar.	43	45	45	45	45	45
Apr.	43	45	45	45	45	45
May	0	45	45	45	45	45
Jun.	43	45	45	45	45	45

JEFFERSON DAVID PARKER WATER DISTRICT NO. 4

Component Unit Statement of Revenues,
Expenses and Changes in Retained Earnings - Budget and Actual
For the Year Ended June 30, 1996

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES:			
Sales of Water	\$ 197,821	\$ 185,000	\$ 12,821
Sanitation Fees	10,140	8,000	2,140
Penalties and Reconnection Fees	8,000	7,000	1,000
TOTAL OPERATING REVENUES	\$ 215,961	\$ 199,999	\$ 15,962
OPERATING EXPENSES:			
Chemicals	\$ 9347	\$ 8,000	\$ 1,347
Contract Labor	1,425	1,500	75
Communications	3,000	2,400	600
Depreciation	88,600	17,000	(71,600)
Electric	2,683	3,000	317
Inventory	4,797	7,000	2,203
Insurances	1,125	1,200	75
Land Lease	200	200	0
Mailing - Per Diem	2,410	2,700	290
Office Rent	4,500	4,500	0
Office Expense	981	1,100	119
Payroll Taxes	3,145	3,500	355
Postage	1,600	1,600	0
Professional Fees	1,000	1,000	0
System Supplies	60,041	7,000	(53,041)
Supplies	1,000	1,000	0
Salaries	88,434	37,000	51,434
Taxes	6,740	7,500	860
Utilities	81,291	12,000	69,291
TOTAL OPERATING EXPENSES	\$ 673,644	\$ 185,200	\$ (488,444)
OPERATING INCOME:	\$ 48,317	\$ 14,799	\$ 33,518
OTHER INCOME (EXPENSES):			
Interest Earnings	\$ 4,011	\$ 1,200	\$ 2,811
Interest Expense	(11,000)	(11,000)	0
TOTAL OTHER INCOME (EXPENSES)	\$ (6,989)	\$ (9,800)	\$ 2,811
NET INCOME:	\$ 41,328	\$ 4,999	\$ 36,329
Add: Grant depreciation allocation during year	12,587		
Less: Increase in reserves during year	(11,889)		
NET INCREASE (DECREASE) IN RETAINED EARNINGS DURING YEAR	\$ 42,026		
RETAINED EARNINGS - BEGINNING OF YEAR	\$ 0		
RETAINED EARNINGS - END OF YEAR	\$ 42,026		

The accompanying notes are an integral part of these component unit financial statements.

**FREDERICK, NORTON,
ROBERT & SCHULTHESS**

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

COMPLIANCE REPORT BASED ON THE AUDIT OF THE
COMPONENT UNIT FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Commissioners
Jefferson Davis Parish Water District No. 4

Opinion:

We have audited the component unit financial statements of Jefferson Davis Parish Water District No. 4, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 6, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Jefferson Davis Parish Water District No. 4 is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Jefferson Davis Parish Water District No. 4 compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The result of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners, management, the Legislative Auditor. This report is not intended to limit the distribution of this report, which upon acceptance by the District, is a matter of public record.



Frederick, Norton, Robert & Schultness

December 6, 1996

procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide an opinion on the internal controls. Accordingly, we do not express such an opinion.

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

The limited number of personnel involved in the accounting system limits the segregation of duties consistent with appropriate control objectives. As the current number of employees it is impossible to implement the required segregation of duties consistent with appropriate control objectives. Management has determined that the hiring of additional personnel to accomplish the desired segregation of duties is cost prohibitive.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the financial control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted that the lack of segregation of duties, noted above, is a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of Jefferson Davis Parish Water District No. 4, for the year ended June 30, 1996.

This report is intended for the information of the Board of Commissioners, management and the Legislative Auditors. This restriction is not intended to limit the distribution of the report, which is a matter of public record.



Frederick, Norman, Robert & Schulz, Inc.

December 8, 1996

**FREDERICK, NORTON,
ROBERT & SCHULTHESS**

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INDEPENDENT AUDITORS' REPORT

**REPORT ON INTERNAL CONTROL, BASED ON AN
AUDIT OF THE COMPONENT UNIT FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Commissioners
Jefferson Davis Parish Water District No. 4

We have audited the component unit financial statements of Jefferson Davis Parish Water District No. 4 as of and for the year ended June 30, 1998, and have issued our report thereon dated December 8, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

In planning and performing our audit of the financial statements of Jefferson Davis Parish Water District No. 4 for the year ended June 30, 1998, we obtained an understanding of the internal controls. With respect to the internal controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing

mandatory requirements on the collateral bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand. All cash and cash equivalents are insured up to \$ 100,000 by the Federal Deposit Insurance Corporation (FDIC).

4. CREDIT RISK

There is a chance that a government unit will not be able to recover amounts invested, not be able to withdraw funds from financial institutions, or not recover securities or collateral held by another party. The district lowers this credit risk as it's deposits as described in item 3.

The risk of material losses due to failure to collect accounts receivable is relatively low due to the large number of relatively low customer accounts receivable. The district also has disburse procedures for delinquent accounts which also lower the credit risk on customer accounts receivable.

5. GENERAL LONG-TERM DEBT

The waterworks district obtained two loans from the Farmers Home Administration (FmHA) in the amounts of \$ 605,000 and \$ 150,000 in 1987 and 1991, respectively. Long-term debt payable at June 30, 1996 is \$ 185,799 and is comprised of the following:

Payable at June 30	Date of Issue	Original Amount	Interest Rate	Final Payment Date	Interest To Maturity	Principal Outstanding
1996	Feb. 11, 1987	\$ 605,000	1.88 %	Feb. 11, 2027	\$ 191,207	\$ 413,793
1996	May 15, 1991	\$ 150,000	1.88 %	Feb. 11, 2021	\$ 24,002	\$ 125,998

The annual requirements to amortize all debt outstanding at June 30, 1996, for the next five years are as follows:

Year Ending June 30,	
1997	\$ 52,658
1998	53,115
1999	53,990
2000	55,831
2001	54,140

6. COMPENSATION OF COMMISSIONERS

As provided by Louisiana R.S. 33:1815, the waterworks commissioners receive per diem for each board meeting they attend as follows:

President	\$ 45
All Other Commissioners	\$ 45

7. OFF BALANCE SHEET RISK

The waterworks district is concentrated within a relatively small geographic area located in Southwest Louisiana. The concentration of assets within a small area increases the chance of having a material loss of assets due to a sudden unforeseen occurrence. The waterworks district carries commercial insurance to reduce the amount of risk to assets.

The long-term liabilities, financed through the government, are accounted for in the other liability section account group until the year in which water services are restored. At that time the portion of notes payable that becomes due is allocated to the current liabilities account group.

E. Restricted Assets

Certain water accounts are restricted as bond reserves, bond contingency, and customer deposits.

F. Investments

Investments are stated at cost or amortized cost, which approximates market.

G. Accumulated Unpaid Vacation Pay

The waterworks district has two employees and these employees do not accrue vacation pay.

H. Bad Debts

The waterworks district uses the direct write off of accounts receivable method to record bad debts expense for the year. Under this method, only when an account is deemed uncollectible is an expense taken.

I. Reserves

The water district's reserve accounts are used to indicate that a portion of the fixed balance is legally segregated for a specific future use. The Jefferson Davis Parish Water District No. 4 as of June 30, 1996 has such reserves on deposit as is required by FEMRA.

3. RESTRICTED ASSETS

Restricted assets were applicable to the following at June 30, 1996:

Revenue Bond and Interest	\$	73,117
Reserve Fund		27,174
Depreciation and Contingency		<u>40,738</u>
Total	\$	<u>141,029</u>

3. CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include demand accounts, savings accounts and certificates of deposit (if applicable). Under state law the waterworks district may deposit funds in one of the chartered banks within the parish where the district is organized. At June 30, 1996 the waterworks district had cash and cash equivalents totaling \$ 284,824 as follows:

Cash on Hand	\$	47
Demand Deposits		28,490
Savings Accounts		<u>256,287</u>
Total	\$	<u>284,824</u>

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the maturing 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 are held in the name of the pledging fiscal agent bank in the amount on deposits 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. All deposits are either covered by a sufficient amount of federal deposit insurance or collateralized by pledged securities held by a custodial bank. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 1, Louisiana R.S. 38:1229 imposes a

With this measurement basis, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Fund equity is segregated into contributed capital (if any) and retained earnings components. Proprietary fund type operating statements present increases and decreases in net total assets. The accrual basis of accounting is utilized by the proprietary fund type. Under this basis of accounting revenues are recognized when earned and expenses are recognized when the related liability is incurred.

1. Revenues

Water distribution fees are assessed on or about the 20th of each month, become due on the first of the following month and are delinquent on the 15th of that month. A late fee of 10% is assessed on water distribution fees that are not paid by the 15th of the month in which they become delinquent and a disconnect fee of \$100.00 is assessed if the customer still has not paid by the 15th of the following month. An installation fee is charged for customers requesting new service and these fees range from \$140.00 to \$1200.00, depending on the amount of line and valves needed. Interest income represents amounts earned on certificates of deposit and savings accounts invested with financial institutions. Interest earned on certificates of deposit is recorded when the certificate matures and/or when interest is available. Interest on savings accounts is recorded when received. Intergovernmental revenue is recorded when received.

2. Expenditures

Expenses are generally recognized under the accrual basis of accounting. Exceptions to this general rule include principle and interest on long-term debt which is recognized at year end.

D. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement basis. Property and equipment of Jefferson Davis Parish Water District No. 4 are recorded at cost. Maintenance and repairs are charged to expenses as incurred, major renewals and betterments are capitalized. At year end, the construction account is adjusted to other fixed assets accounts: water works, main plant, filtration system, and water lines. All fixed assets are valued at historical cost or estimated historical cost if actual cost is not available. Depreciated fixed assets are stated at their estimated fair market value on the date dictated.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement basis, and all assets and all liabilities (whether current or non-current) associated with the waterworks district's activities are included on its balance sheet. The waterworks reported fund equity (net total assets) is segregated into reserves, contributions and retained earnings components. Proprietary fund type operating statements present increases (revenue) and decreases (expense) in net total assets.

Depreciation of all exhaustible fixed assets used by the proprietary funds is charged as an expense against the waterworks district's operations. Accumulated depreciation is reported on the proprietary fund balance sheet.

Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Distribution, Treatment, and Filtering Facilities	12 to 30
years	
Major Equipment and Facilities	30
years	
Minor Equipment and Facilities	10
years	

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Jefferson Davis Parish Water District No. 4

We have audited the component unit financial statements of the Jefferson Davis Parish Water District No. 4, as of and for the year ended June 30, 1996, as listed in the accompanying table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Jefferson Davis Parish Water District No. 4 as of June 30, 1996, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 6, 1996, on our consideration of the District's internal control and a report dated December 6, 1996, on its compliance with laws and regulations.



FREDERICK, NORTON, ROBERT & SCHULTHESS
December 6, 1996

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4

Component Unit Balance Sheet

As of June 30, 1995

ASSETS**CURRENT ASSETS:**

Cash - American Bank	\$	26,683	
Cash - American Bank (Special Fund)		41,204	
Cash - Petty Cash		01	
Total Cash		<u>67,888</u>	\$
Accounts Receivable - Customers			61,754
Prepaid Insurance			<u>2,562</u>
TOTAL CURRENT ASSETS	\$		<u>132,204</u>

RESTRICTED ASSETS:

Waterworks Revenue Bond and Interest Sinking Fund	\$	71,507	
Waterworks Reserve Fund		21,274	
Waterworks Depreciation and Contingency Fund		<u>41,259</u>	
TOTAL RESTRICTED ASSETS			140,058

UTILITY PLANT IN SERVICE:

Water Wells	\$	198,829	
Main Plant		191,829	
Filtration Systems		238,766	
Water Lines		709,783	
Office Equipment		6,797	
Machinery and Equipment		<u>23,899</u>	
Total cost of Depreciable Utility Plant in Service	\$	<u>1,469,003</u>	
Less: Depreciation Allowance		299,783	
Net Depreciable Utility Plant in Service	\$	<u>1,169,220</u>	
Land and Land Rights		<u>2,000</u>	
TOTAL UTILITY PLANT IN SERVICE	\$		<u>1,171,220</u>

TOTAL ASSETS**\$ 1,395,684**

The accompanying notes are an integral part of these component unit financial statements.

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4

Component Unit Balance Sheet

As of June 30, 1996

LIABILITIES, RESERVES, CONTRIBUTIONS, AND RETAINED EARNINGS

CURRENT LIABILITIES:		
Accounts Payable	\$	1,817
Salaries Payable		3,358
Sales Tax Payable		440
Payroll Tax Payable		170
Interest Payable		17,658
Notes Payable No. 1 - FwdLA (due in one year)		6,800
Notes Payable No. 2 - FwdLA (due in one year)		1,300
TOTAL CURRENT LIABILITIES	\$	30,473
OTHER LIABILITIES:		
Notes Payable No. 1 - FwdLA (due current)	\$	626,000
Notes Payable No. 2 - FwdLA (due current)		182,388
Customer Deposits Payable		50,690
TOTAL OTHER LIABILITIES	\$	859,078
TOTAL LIABILITIES	\$	889,551
RESERVES:		
Reserve Waterworks Reserve Fund and Interest Sinking Fund	\$	75,217
Reserve Waterworks Reserve Fund		52,714
Reserve Waterworks Depreciation and Contingency Fund		41,159
TOTAL RESERVE		169,090
CONTRIBUTIONS:		
Federal Farmers Home Mortgage - Grant	\$	148,568
Less: Allocation of Grant for year ended 6/30/96		13,920
		134,648
RETAINED EARNINGS		8,917
TOTAL LIABILITIES, RESERVES, CONTRIBUTIONS, AND RETAINED EARNINGS	\$	1,182,006

The accompanying notes are an integral part of these component unit financial statements.

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COMPONENT UNIT

FINANCIAL STATEMENTS

HENDERSON DAVIS PARISH WALDEN DISTRICT NO. 1

AS OF JUNE 30, 2006

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: SEP 5 2007

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JEFFERSON DAVIS PARISH WATER DISTRICT NO. 6

Schedule of Insurance in Force
As of June 30, 1995

Company	From	To	Policy #	Amount	Coverage
Western Surety Company	1-1-94	12-31-95	30366228	10,000	Banking Bond
Admiral Insurance Company	1-1-94	6-30-97	49-10-0011	288,000	Property Damage
National Casualty Company	1-1-94	2-1-97	428,808-4711	1,880,000	General Liability
Louisiana Mutual Business	1-1-94	12-31-97	28-009-03	887,000/100	Workers Compensation

The above information is as described by examination of insurance policies and insurance brochures and through discussion with management. We do not express an opinion on the adequacy of the insurance coverage.

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4

**Component Unit Statement of Cash Flows
For the Year Ended June 30, 1996**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating Income	\$ 69,581
Adjustments to reconcile net operating income to net cash provided by operating activities:	
Depreciation	38,699
Decrease (Increase) in accounts receivable	(1,500)
Decrease (Increase) in prepaid expenses	400
Increase (Decrease) in current payables	(1,848)
Increase (Decrease) in accrued expenses	(1,899)
Increase (Decrease) in other liabilities	5,290
NET CASH PROVIDED BY OPERATING ACTIVITIES:	<u>136,963</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Payments for capital acquisitions	(22,250)
Principal payments	65,470
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:	<u>(56,780)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest earned on investments	8,881
Interest paid	(45,830)
NET CASH USED FOR INVESTING ACTIVITIES:	<u>(36,949)</u>
NET CASH INCREASE (DECREASE) FOR YEAR	21,194
Cash and cash equivalents at beginning of year	<u>158,806</u>
Cash and cash equivalents at end of year	\$ <u>180,000</u>

SUPPLEMENTAL DISCLOSURES:

- Accounting Policy Note: Cash Equivalents - The District considers only cash to be cash and cash equivalents.
- Date Note: During the year the District paid interest of \$ 98,443.
- Interest Note: The District issues subject-to-order and/or advance income taxes, due to being a political subdivision of the State of Louisiana, Parish of Jefferson Parish.
- Acquisition Note: The District had additions to Utility Plant in service of \$ 18,250.

The accompanying notes are an integral part of these component unit financial statements.

JEFFERSON DAVIS PARISH WATER DISTRICT NO. 4

NOTES TO THE COMPONENT UNIT FINANCIAL STATEMENTS
AS OF JUNE 30, 1996

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Louisiana Revised Statute (R.S.) 15:3412 the Jefferson Davis Parish Water District No. 4 is governed by five commissioners. These five commissioners are collectively referred to as the waterworks commissioners and are appointed by the Jefferson Davis Parish Police Jury. The Jefferson Davis Parish Water District No. 4 is a subdivision of the state and may issue bonds and levy taxes in accordance with Article 5, Section 20. The waterworks district was created under the authority of R.S. 15:3411 and was established to, establish, acquire, construct, improve, extend and maintain within its political subdivision a waterworks system.

A. Reporting Entity

GASB Classification Section 2000 established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Appointment of governing body
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the Police Jury appoints the governing board and because of the scope of public service, Jefferson Davis Parish Water District No. 4 was determined to be a component unit of the Jefferson Davis Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the waterworks district and do not present information on the police jury, the general government services provided by the governmental unit, or the other governmental units that comprise the governmental reporting entity.

B. Fund Accounting

The accounts of the waterworks district are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenue and expense. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which operating activities are controlled. The fund presented in the component unit financial statements is described as follows:

1. Proprietary Fund Type

A Proprietary Fund is used to account for governmental activities conducted where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges (Enterprise Fund).

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund type is accounted for on a flow of economic resources measurement focus.