



SMITH PUGH HARBINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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

The Board of Commissioners  
Waterworks District No. 7  
Caddo Parish, Louisiana

We have audited the general purpose financial statements of the Waterworks District No. 7, Caddo Parish, Louisiana, a component unit of the Parish of Caddo, State of Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated October 28, 1997.

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

Compliance with laws, regulations, contracts, and grants applicable to the Waterworks District No. 7, Caddo Parish, Louisiana, is the responsibility of the Caddo Waterworks District No. 7, Caddo Parish, Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Waterworks District No. 7, Caddo Parish, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance as listed in the supplemental information, "Schedule of Findings and Questioned Costs", that are required to be reported under Government Auditing Standards.

This report is intended for the information of management and the Board of Commissioners. However, this report is a matter of public record and its distribution is not limited.

Certified Public Accountants

October 28, 1997

The reportable conditions noted are listed in the supplemental information, 'Schedule of Findings and Questioned Costs'.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the gross of purchase financial statements being audited may occur and can 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 internal 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 believe none of the reportable conditions described in the supplemental information is a material weakness.

This report is intended for the information of management and the Board of Commissioners. However, this report is a matter of public record and its distribution is not limited.

  
Certified Public Accountant

October 28, 1991

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

The Board of Commissioners  
Waterworks District No. 7  
Cade Parish, Louisiana

We have audited the general purpose financial statements of the Waterworks District No. 7, Cade Parish, Louisiana, a component unit of the Parish of Cade, State of Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated October 20, 1997.

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

The management of the Waterworks District No. 7, Cade Parish, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Waterworks District No. 7, Cade Parish, Louisiana, for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We used certain methods involving the internal control structure and its operation that we consider to be reasonable conditions under standards established by the American Institute of Certified Public Accountants. Reports on conditions under 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 general purpose financial statements.

**WATERWORKS DISTRICT NO. 7  
CADDOPARISH, LOUISIANA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1991

<u>Current Year Findings</u>	<u>Questioned Costs</u>
<b>1. Assurance of Compliance - Insurance coverage by fidelity bond does not meet the debt covenant requirement of USDA Rural Development for the year ended June 30, 1991.</b>	
<i>Criteria:</i> The USDA Rural Development requires the minimum amount of insurance coverage by fidelity bond be \$200,000. For the year ended June 30, 1991, actual coverage was \$14,000 per employee, totaling \$50,000.	
<i>Effect of Condition:</i> The actual fidelity bond coverage was less than required coverage by \$186,000, which is a violation of the debt covenant.	
<i>Cause of Condition:</i> The District did not request fidelity bond insurance coverage in an amount that complies with debt covenant requirements.	
<i>Recommendation:</i> The District should calculate the required amount of fidelity bond coverage mandated by the USDA Rural Development debt covenants and increase the bond by, at least, equal the calculated amount or \$190,000, whichever is greater.	
<i>Response:</i> We concur with the auditor's recommendation. Fidelity Bond Coverage will be increased to meet debt covenant requirements and procedures will be established to prevent a recurrence of this situation.	
<b>2. Assurance of Compliance: At various times during the year, the following amounts occurred:</b>	
1. Bonuses totaling \$279 were paid to employees	\$ 279
2. Recreative pay totaling \$685 was paid to an employee, and	685
3. An employee was paid \$111 in lieu of vacation time.	111
<i>Criteria:</i> The above conditions are prohibited by Louisiana Constitution, Article 7, Section 14.	
<i>Effect of Condition:</i> The payments violated state statutes.	
<i>Cause of Condition:</i> The District management was unaware that the above payments were in violation of state statutes.	
<i>Recommendation:</i> Management should consult the state statutes and other regulations to ensure compliance prior to granting special payments.	
<i>Response:</i> We became aware of the violations soon after the occurrence and have established procedures to prevent recurrences of these situations.	
<b><u>Price Set Findings</u></b>	
The District received the price price findings by purchasing the specific tasks that were outlined in the District's response to the June 30, 1991 report.	

WATERWORKS DISTRICT NO. 7  
CALICO PARISH, LOUISIANA

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1997

Current Year Findings	Questioned Costs
<p>1. <i>Statement of Condition:</i> There are no securities pledged to the District by Central Bank for deposits in excess of the Federal Depositary Insurance.</p> <p><i>Criteria:</i> The cash balance in this account at June 30, 1997, per bank records, totals \$148,588. The amount of Federal Depositary Insurance coverage is \$100,000, resulting in \$48,588 of uninsured or uncollateralized balances.</p> <p><i>Effect of Condition:</i> A portion of the District's cash balances at Central Bank is uninsured or uncollateralized.</p> <p><i>Cause of Condition:</i> Cash accounts at Central Bank were initially set up as the District being a non-profit organization rather than a public entity.</p> <p><i>Recommendation:</i> The District should require that the Bank set these accounts up as public entity accounts, which require securities to be pledged by the Bank to the entity.</p> <p><i>Response:</i> We concur with the auditor's recommendations. Procedures will be established to prevent a recurrence of this situation.</p>	\$ 48,588
<p>2. <i>Statement of Condition:</i> All of the debt payments required by lenders were not complied with for the year ended June 30, 1997.</p> <p><i>Criteria:</i> The USDA Rural Development should have totaled \$85,820; actual deposits made totaled \$83,378. Monthly deposits into the sinking fund required by Central Bank should have totaled \$2,024; actual deposits made totaled \$1,000.</p> <p><i>Effect of Condition:</i> The actual deposits were less than the required deposits by \$8,296 which is a violation of the debt covenants.</p> <p><i>Cause of Condition:</i> The District did not deposit the correct amounts on a monthly basis (i.e., used the prior year's required amount).</p> <p><i>Recommendation:</i> The District should ensure that they are depositing at least one-tenth of the annual debt service payment on a monthly basis as required by the debt agreement.</p> <p><i>Response:</i> We concur with the auditor's recommendations. Deposits will be made immediately into the appropriate accounts to verify the short-pays, and procedures will be established to prevent a recurrence of this situation.</p>	\$ 8,296

WATERWORKS DISTRICT NO. 7  
CAJODO PARISH, LOUISIANA

Schedule of Board of Directors' Compensation and Expense Reimbursement  
For the Year Ended June 30, 1991

Sharon Brock	\$	668
Mary Collier		1,750
Victoria Howard		1,500
Billy Roberts		1,650
Ann Sanders		668
Ann S. Wagner		<u>1,650</u>
Total	\$	<u>8,886</u>

## SUPPLEMENTAL INFORMATION

**WATERWORKS DISTRICT NO. 3  
CALICO PARISH, LOUISIANA**

**Notes to Financial Statements  
June 30, 1997**

**3. Contingencies and Commitments**

The District is exposed to various risks of loss related to thefts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settlements have not exceeded insurance coverage in any of the past three years.

In May 1995, a suit was filed against the District by an employee alleging physical abuse and sexual harassment by their supervisor. Management has indicated its plans to vigorously defend this suit and believes that the loss, if any, resulting from the suit, will not have a material impact on the District's financial position, results of operations, or cash flows in future years. Since the ultimate resolution of this matter is not ascertainable at this time, no provision has been made in the financial statements related to this claim.



**WATERWORKS DISTRICT NO. 7  
CALICO PARISH, LOUISIANA**

Notes to Financial Statements  
June 30, 1997

**6. Changes in Long-term Debt (Continued)**

**Debtless Revenue**

\$142,000 Revenue Bonds dated August, 1982; due in annual installments of \$1,000-\$1,000 through August, 2011; interest at 5% \$ 100,000

\$700,000 Water Revenue Bonds dated November, 1958; due in annual installments of \$21,000-\$29,000 through August, 2015; interest at 6.875% 600,000

\$240,000 Water Revenue Bonds dated March, 1982; due in annual installments of \$23,100, including interest at 6.125%, through August, 2015. 200,150

**Certificates of Indebtedness**

\$200,000 of Certificates of Indebtedness, dated February, 1997; due in annual installments of \$13,000-\$25,000 through December, 2009; interest at 5.50% \$ 133,150

\$ 200,000

The bond agreements contain various restrictive covenants among which include maintenance of restricted cash funds at specified amounts, required amounts of insurance coverage and limitations on additional borrowings. At June 30, 1997, the District was in non-compliance with certain loan covenants.

The annual requirements to amortize all debt outstanding as of June 30, 1997, including interest payments of \$1,708,698 are as follows:

Year Ending June 30,	General Obligation	Revenue Bonds	Certificates of Indebtedness	Total
1998	\$ 12,050	\$ 80,800	\$ 27,500	\$ 120,350
1999	12,750	80,800	25,825	120,375
2000	12,850	84,875	23,707	121,432
2001	12,350	81,725	21,700	115,775
2002	12,150	84,024	20,700	116,874
2003-2007	62,250	439,500	129,200	631,950
2008-2012	62,800	417,888	-	480,688
2013-2017	64,850	427,184	-	492,034
2018-2022	64,650	441,980	-	506,630
2023-2027	-	329,682	-	329,682
2028-2030	-	128,672	-	128,672
	<u>\$ 318,600</u>	<u>\$ 1,621,614</u>	<u>\$ 298,690</u>	<u>\$ 2,238,904</u>

**WATERWORKS DISTRICT NO. 7  
CADDO PARISH, LOUISIANA**

Notes to Financial Statements  
June 30, 1997

**5. Property, Plant & Equipment:**

Property, plant & equipment consists of the following:

Water distribution system	\$	1,037,858	
Water treatment plant		545,015	
Misc.		15,898	
IT ability		4,899	
Furniture and equipment		24,344	
Land		<u>1,200</u>	
		1,648,204	
Less accumulated depreciation		<u>352,208</u>	
		1,295,996	
Construction in progress (includes capitalized interest of \$3,504)		<u>58,438</u>	
	\$	<u>1,354,434</u>	

**6. Changes in Long-Term Debt:**

The following is a summary of the long-term debt transactions of the District, for the year ended June 30, 1997:

	Note Payable	General Obligation	Utilities Revenue	Certificates of Indebtedness	Total
Debt payable at June 30, 1996	\$ 11,880	\$ 182,000	\$ 1,125,879	\$ -	\$ 1,319,759
Additions to debt payable				300,000	300,000
Debt retired	<u>11,880</u>	<u>3,000</u>	<u>18,705</u>		<u>34,585</u>
Debt payable at June 30, 1997	<u>\$ -</u>	<u>\$ 179,000</u>	<u>\$ 1,113,154</u>	<u>\$ 300,000</u>	<u>\$ 1,491,154</u>

Debt payable at June 30, 1997 is comprised of the following individual issues:

**General obligation:**

\$213,000 Public Improvement Bonds dated August, 1993; plus its annual installments of \$1,000 - \$12,000 (through August, 2002); interest at 9% (secured by levy and collection of all sales tax taxes).

\$ 179,000

**WATERWORKS DISTRICT NO. 1  
CAJODO PARISH, LOUISIANA**

**Notes to Financial Statements  
June 30, 1997**

**2. Cash**

The District's cash is categorized to give an indication of the level of risk assumed by the District as June 30, 1997. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 - Uncollateralized.

Cash deposits as June 30, 1997, categorized by level of risk, are:

Description	Category			Bank Balance	Carrying Amount
	1	2	3		
Uncollateralized	\$ 14,307	\$	\$ 36,407	\$ 50,714	\$ 50,714
Restricted	381,465		240,234	621,717	381,715
Total cash	\$ 395,772	\$	\$ 276,641	\$ 621,714	\$ 682,429

**3. Ad Valorem Taxes**

The District levies taxes on real and business personal property within its boundaries. Property taxes are levied on a collectible basis on property as of January 1 of each year. Property taxes are recorded as receivables and revenue in the year incurred to the extent that revenues are collected within 60 days after year-end.

The authorized and levied ad valorem taxes for the year ended June 30, 1997, totalled 4.68 mills.

The taxes levied during the year ended June 30, 1997, were \$18,158 on property with an assessed value of \$3,211,000.

**4. Components of Restricted Assets**

The following is a list of the components of restricted assets:

Cash - Reserve Account	\$	64,875
Cash - Ad Valorem Tax Fund		22,178
Cash - Water Revenue Fund		89,668
Cash - New Well Fund		26,260
Cash - New Well Fund - Keith Hood		4,000
Cash - Construction Fund		149,548
Cash - Depreciation Fund		25,054
	\$	381,518

WATERWORKS DISTRICT NO. 7  
CAJODO PARISH, LOUISIANA

Notes to Financial Statements  
June 30, 1997

1. Nature of Organization and Significant Accounting Policies (Continued):

- I. **Bad Debts** - Uncollectible amounts due for the customer's utility and ad valorem taxes receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. No provision for all employee taxes receivable has been deemed necessary. The allowance for uncollectible customer's utilities was \$5,800 at June 30, 1997.
- J. **Property, Plant, and Equipment** - Additions to the utility plant in service are recorded at cost or, if residential property, at their estimated fair value at time of construction. Capitalized construction period costs including interest charges, are included in the cost of assets. Repairs and maintenance are recorded as expensary amounts and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line method of depreciation. The estimated service lives by asset type are as follows:

Treatment plant	10-20 years
Distribution system	30 years
Mains	30 years
Building	20 years
Furniture and fixtures	3 years

- K. **Restricted Assets** - The District, because of certain bond covenants, is required to establish and maintain specified amounts of reserves (consisting of cash) that can be used only to service outstanding debt.
- L. **Compensated Absence** - No liability is recorded for accumulating rights to receive vacation or sick pay benefits.
- M. **Statement of Cash Flows** - For the purposes of the Statement of Cash Flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.
- N. **Inventory** - Inventory of supplies held by the District is not material and is charged to operations as purchased.
- O. **Fund Equity** - Contributed capital is recorded by the District for capital grants not used for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation assigned on that portion of the assets acquired or constructed from such resources.

Reserves represent those portions of fund equity not appropriate for expenditures or legally separated for a specific future use.

- P. **Income Taxes** - The District is a political subdivision of the Parish of Calcasieu, State of Louisiana, and as such, is not subject to federal and state income taxes. Accordingly, no provision for such taxes has been made.

WATERWORKS DISTRICT NO. 7  
CAJODO PARISH, LOUISIANA

Notes to Financial Statements  
June 30, 1993

1. Nature of Organization and Significant Accounting Policies (Continued):

C. Booked Accounting - (Continued)

The accrual basis of accounting is utilized by the District. Under this method, revenues are recorded when earned and expenses are recorded as the time liabilities are incurred.

The preparation of financial statements generally 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

10. Cash and Investments - Legal investments by municipalities are restricted according to Louisiana Revised Statute 38:1226 as follows:

- (1) Direct U.S. Treasury obligations, the principal and interest of which are fully guaranteed by the U.S. government.
- (2) The certificates of deposit of state banks organized under the laws of Louisiana, or national banks having their principal offices in that state of Louisiana, savings accounts or shares of savings and loan associations and savings banks, or share accounts and share certificates, accounts of federally or state chartered credit unions having time certificates of deposit. Funds invested in accordance with this paragraph shall not exceed at any time the amount insured by the Federal Deposit Insurance Corporation in any one bank, or in any one savings and loan association, or by the National Credit Union Administration in any one credit union, unless the uninsured portion is collateralized by the pledge of securities in the manner provided in R.S. 38:1227.
- (3) Mutual or trust fund investments which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies.

Cash and cash equivalents are comprised of daily cash balances above the day-to-day needs and funds set aside for public safety reserves. Short-term investments of cash and cash equivalents may be placed in:

- (1) Obligations of the U.S. Treasury, federal agencies, or U.S. government trust investments (as provided herein) with maturities of less than 2 years.
- (2) Time certificates of deposit, as provided herein.
- (3) Money market mutual funds, as provided herein.
- (4) The Louisiana Asset Management Fund, Inc. as provided in Op. Atty. Gen. 94-158.

For fiscal year 1997, the District had no investments other than cash.

**WATERWORKS DISTRICT NO. 7  
CALDOU PARISH, LOUISIANA**

Notes to Financial Statements  
June 30, 1997

**1. Nature of Organization and Significant Accounting Policies**

Waterworks District No. 7, Caldo Parish, Louisiana (the District) is a component unit of the Parish of Caldo, State of Louisiana. It was organized in 1981 to provide water service to the Caldo Parish, Louisiana area.

Summary of Significant Accounting Policies

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the specific criteria of Louisiana Revised Statutes 24:517 and to the guidelines found in the "Louisiana Municipal Audit and Accounting Guide."

The following is a summary of certain significant accounting policies:

- A. Reporting Entity - This report includes all funds and account groups which are controlled by or dependent on the District's Board of Commissioners. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibilities.
- B. Fund Accounting - The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Only one fund is used by the District as of and for the year ended June 30, 1997.

Proprietary Fund Type:

Enterprise Fund - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed through user charges. The District maintains an Enterprise Fund for water utilities provided.

The District applies all Governmental Accounting Standards Board (GASB) pronouncements as well as the Financial Accounting Standards Board pronouncements based on or before November 30, 1995, unless these pronouncements conflict with or contradict GASB pronouncements.

- C. Methods of Accounting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations of this fund are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type reporting distinguishes between revenues (e.g., revenues) and charges (e.g., expenses) in net total assets.

**WATERWORKS DISTRICT NO. 1  
CAJODO PARISH, LOUISIANA**

**Statement of Cash Flow  
For the Year Ended June 30, 1997**

**Cash Flows from Operating Activities**

Net income	\$	54,715
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		31,698
Bad debt expense		4,579
Decrease in accounts receivable		1,700
Increase in prepaid expenses		(281)
Decrease in accounts payable		(4,853)
Increase in interest payable		89
Net cash provided by operating activities		<u>87,257</u>

**Cash Flows from Investing Activities**

Payments for property, plant & equipment		(1,000)
Payments on construction in progress		<u>(19,455)</u>
Net cash used by investing activities		<u>(20,455)</u>

**Cash Flows from Financing Activities**

Proceeds from issuance of debt		298,000
Repayment of notes payable		(11,000)
Repayment of bonds payable		<u>(113,311)</u>
Net cash provided by financing activities		<u>173,689</u>

Net increase in cash

201,546

Cash, June 30, 1996

204,128

Cash, June 30, 1997

\$405,674

**Supplemental disclosure:**

Interest paid during the year ended June 30, 1997 totaled \$62,118.

WATERWORKS DISTRICT NO. 7  
 CALDOO PARISH, LOUISIANA

Statement of Changes in Retained Earnings  
 For the Year Ended June 30, 1987

	Balances					
	Non-Plant Fund	Depreciation Fund	Notes Payable Fund	Bond Sinking Fund	Special Inv. Fund	All Vouchers Due (Paid)
Balance, June 30, 1986	\$ 25,548	\$ 28,106	\$ 52,371	\$ 40,789	\$ -	\$ 19,442
Adjustment for reserve requirements	741	4,498	5,498	3,323	4,008	53,887
Net income						
Balance, June 30, 1987	\$ 26,289	\$ 32,604	\$ 57,869	\$ 44,112	\$ 4,008	\$ 73,329
						\$ 24,312
						\$ (19,837)
						\$ 148,897
						\$ (74,815)
						\$ 24,312
						\$ (28,258)
						\$ 1,275,832



**WATERWORKS DISTRICT NO. 7  
CAJODO PARESE, LOUISIANA**

Statement of Revenues and Expenses  
For the Year Ended June 30, 1997

Operating revenues:	
Water sales	\$ 293,489
Meter fees and connection charges	<u>25,710</u>
Total operating revenues	<u>319,199</u>
Operating expenses:	
Advertising	100
Auto expense	1,862
Bad debt expense	4,679
Fixed asset fees	6,876
Depreciation	31,698
Insurance	3,172
Interest	62,337
Lease expense	3,279
Office expense	23,452
Professional fees	6,625
Repairs and maintenance	71,871
Salaries	27,468
Taxes and licenses	3,343
Utilities	<u>22,896</u>
Total operating expenses	<u>293,022</u>
Operating income	<u>26,177</u>
Nonoperating income (expense):	
Ad valorem taxes	23,181
Interest	4,824
Penalties	<u>(181)</u>
Total nonoperating income (expense)	<u>27,824</u>
Net income	<u>\$ 54,001</u>

The accompanying notes are an integral part of the financial statements.

**WATERWORKS DISTRICT NO. 7  
CAJODO PARISH, LOUISIANA**

Balance Sheet  
June 30, 1999

**ASSETS**

<b>Current Assets:</b>	
Cash	\$ 34,970
Accounts receivable, net	39,091
Prepaid expenses	_____ 5,635
Time/cashier assets	_____ 92,251
Property, plant and equipment, net	1,205,540
<b>Restricted Assets:</b>	
Cash	_____ 294,216
<b>Total Assets</b>	<b><u>\$ 1,752,683</u></b>

**LIABILITIES AND EQUITY**

<b>Current Liabilities:</b>	
Accounts payable	\$ 5,460
Interest payable	73,641
Current portion of long-term debt	_____ 33,718
Total current liabilities	_____ 112,819
<b>Long-term Liabilities:</b>	
Bonds payable	_____ 1,470,862
<b>Total Liabilities</b>	<b><u>_____ 1,576,500</u></b>
<b>Equity:</b>	
Contributed capital	_____ 80,738
Retained earnings	
Dividend	543,150
Unreserved	_____ (28,345)
Total retained earnings	_____ 364,805
<b>Total Equity</b>	<b><u>_____ 476,683</u></b>
<b>Total Liabilities and Equity</b>	<b><u>\$ 1,752,683</u></b>



SMITH PUGH RABINOWITZ L. L. P. CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

The Board of Commissioners  
Waterworks District No. 7  
Caddo Parish, Louisiana

We have audited the accompanying general purpose financial statements of the Waterworks District No. 7, Caddo Parish, Louisiana, a component unit of the Parish of Caddo, State of Louisiana, as of and for the year ended June 30, 1993, as listed in the table of contents. These general purpose financial statements are the responsibility of Waterworks District No. 7, Caddo Parish, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Waterworks District No. 7, Caddo Parish, Louisiana as of June 30, 1993, and the results of its operations and each class of its proprietary fund type 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 October 28, 1993, on our examination of the Waterworks District No. 7, Caddo Parish, Louisiana's internal control structure, and a report dated October 28, 1993, on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Waterworks District No. 7, Caddo Parish, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Smith Pugh Rabinowitz LLP*  
Certified Public Accountants  
Shreveport, Louisiana

October 28, 1993

**WATERWORKS DISTRICT NO. 7  
CADDO PARISH, LOUISIANA**

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WATERWORKS DISTRICT NO. 3  
CAJODO PARISH, LOUISIANA

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FINANCIAL STATEMENTS

June 30, 1957

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the Auditor, or reviewed, county and other appropriate public officials. This 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 11-17-2008

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