

ROBERT E. INGMAN
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 129
SHEMIX BRIDGE, LOUISIANA 70517-0129
PHONE 318-228-7203 FAX 318-228-7203

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Commissioners
Lafayette Parish Waterworks District North, and
The Board of Governors
Lafayette Parish Consolidated Government
Lafayette, Louisiana

I have audited the financial statements of the Lafayette Parish Waterworks District North, Lafayette, Louisiana (the District) as of and for the year ended December 31, 1996, and have issued my report thereon dated May 3, 1997.

I have applied procedures to test the District's compliance with the following requirements applicable to its Federal Financial Assistance Programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1996 (these are civil rights, political activity, Davis-Bacon Act, cash management, education assistance and real property acquisition, Federal financial reports, allocable costs/cost principles, Drug-Free Workplace Act, or Administrative requirements).

My procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the District's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the District had not complied, in all material respects, with these requirements.

In my opinion, the Lafayette Parish Metropolitan District North, Lafayette, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or earmarking; reporting; special tests and provisions (if any); claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major Federal Financial Assistance programs for the year ended December 31, 1986.

This report is intended for the information of the District's management, the Lafayette Parish Consolidated Government, and Farmers Home Administration (Rural Development).

However, this report is a matter of public record and its distribution is not limited.


Robert E. Lewis
Certified Public Accountant
Lafayette, Louisiana
May 3, 1987

ROBERT K. IRWIN
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 139
BREAUX BRIDGE, LOUISIANA 70513-0139
PHONE 228-228-7200 FAX 228-228-7200

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Commissioners
Lafayette Parish Waterworks District North, and
To the Board of Governors
Lafayette Consolidated Government
Lafayette, Louisiana

I have audited the financial statements of the Lafayette Parish Waterworks District North, Lafayette, Louisiana (the District) as of and for the year ended December 31, 1996, and have issued my report thereon dated May 3, 1997.

I have also audited the District's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or earmarking; reporting; special tests and provisions if any; claims for advances and reimbursements; and claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1996. The management of the District is responsible for the District's compliance with those requirements. My responsibility is to express an opinion on compliance with those requirements based on my audit.

I conducted my audit of compliance with those requirements in accordance with generally accepted auditing standards; government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, and State and local Governments. Those standards and OMB Circular require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. I believe that my audit provides a reasonable basis for my opinion.

During the year 1986, the President of this Board received payment in the form of an hourly rate of \$25 per hour for services performed by him. A review of the minutes of the meetings of the Board indicated that he was not authorized, nor would the District be in compliance with this statute, in paying this hourly rate. The amount in question was 3,124 1/2 hours at \$25. per hour making a grand total of \$78,112.50.

Further on this matter was the payment for time and expenses provided the President while performing duties for the District. A motion was passed at a meeting of the Board held on November 16, 1985 and reads as follows:

"That the President be authorized to receive payment in the amount of \$3,150 for time and services provided as the District President for the past three months (120 hours @ \$25 per hour -- time and service beyond the call of duty)."

This motion was unanimously approved, with Mr. Pitts abstaining.

This motion was passed for the express intent of covering time and expenses for a specific period and nothing contained indicates that this motion was meant to be retroactive to periods before or after the date of this motion. Consequently, the remainder of payments in the amount of \$3,109.45 were not authorized.

The District is not in compliance with Rural Development requirements which state that the District must keep an accurate and updated list of applicants for water service. While there is some semblance of order as to the names of participants who have paid \$25 membership fees, there is no list of who these people are.

A comment on this matter has been brought to the attention of the members of the board in previous audits.

This report is intended for the information of the management of the District, the Lafayette Parish Consolidated Government, and the Farmers Home Administration (Rural Development).

However, this report is a matter of public record and its disclosure is not limited.


Robert S. Irwin
Certified Public Accountant
Lafayette, Louisiana
May 3, 1987

ROBERT E. IRWIN
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 129
BRIAR BRIDGE, LOUISIANA 70517-0129
PHONE 228-228-7221 FAX 228-228-7222

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

To the Board of Commissioners
Lafayette Parish Metairie District and
the Board of Governors
Lafayette Parish Consolidated Government
Lafayette, Louisiana

I have audited the financial statements of the Lafayette Parish
Metairie District North (the District) as of, and for the year
ended December 31, 1996, and have issued my report thereon dated
May 3, 1997.

I conducted my 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 I 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 District, is the responsibility of the District's management.
As part of obtaining reasonable assurance about whether the financial
statements are free of material misstatement, I performed tests of
the District's compliance with certain provisions of laws,
regulations, contracts, and grants. However, the objective of my
audit of the financial statements was not to provide an opinion on
overall compliance with such provisions. Accordingly, I do not
express such an opinion.

The results of my tests disclosed the following item of noncompliance
with State law.

Under the provisions of Louisiana Revised Statutes (LSA-RS
42:84) Dual Employment Law, no employees or officials are
to be paid or accept anything of value, whether in the
form of a service, loan, or promise, from anyone that
would constitute a violation of this Revised Statute.

A material weakness is a reportable condition in which the design or operation of one or more 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.

My 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. I do believe that all of the above-reported conditions are also considered material weaknesses.

I also noted other matters involving the internal control structure in its operation that I have reported to the management of the District, a separate letter dated May 3, 1987.

This report is intended for the information of the management of the District, the Lafayette Parish Consolidated Government, as well as the US Department of Agriculture rural development. However, this report is a matter of public record, and its distribution is not limited.


Robert K. Irvin
Certified Public Accountant
Lafayette, Louisiana
May 3, 1987

II. TIMELY RECONCILIATION OF BANK ACCOUNTS:

It was noted during the course of the audit that reconciliations of bank accounts was not done on a timely basis and in some instances picking up mail in the Post Office Box was not done for periods of up to six months.

Recommendations:

Bank accounts should be reconciled on a monthly basis by a person who did not write the checks or order the supplies or merchandise paid by such checks.

Management's response:

Management has instituted a program where bank accounts are reconciled on a monthly basis by a person who did not participate in the writing of the checks. In addition to this, the endorsement on the back of the checks are reviewed.

III. REIMBURSEMENT FOR EXPENSES AND PAYMENTS OF BILLS:

Payment for expenses incurred by any board member for services performed should not be paid unless supported by proper Expense Reimbursement Forms and approved by at least another officer. Also, payment for services performed on an hourly basis is in violation of the Mail Office Law of the State of Louisiana.

Recommendations:

All bills must be submitted to the board for payment, even if the bill covers a pre-existing contract. Any reimbursement for expenses or services should be approved by an officer of the board and presented to the full board for approval.

Management's Response:

Management concurs with this recommendation and will implement this procedure immediately.

LAFAYETTE PARISH WATERWORKS DISTRICT BOARD
 LAFAYETTE CONSOLIDATED GOVERNMENT
 AUDIT REPORT - DECEMBER 31, 1986
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ROBERT M. JONES
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 139
DELRAND BRIDGE, LOUISIANA 70517-0139
PHONE 338-228-7200 FAX 338-228-7200

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lafayette Parish Waterworks District North, and
The Board of Governors
Lafayette Consolidated Government
Lafayette, Louisiana

I have audited the accompanying financial statements of the Lafayette Parish Waterworks District North, Lafayette, Louisiana, a component unit of Lafayette Parish Consolidated Government, as of and for the years ended December 31, 1996 and 1995. These financial statements are the responsibility of the Lafayette Parish Waterworks District North, Lafayette, Louisiana management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, government Auditing Standards issued by the Comptroller General of the United States, the Office of Management and Budget's Circular Supplement for Single Audits of State and local Governments, and Circular A-133, Audits of State and Local Governments. These standards require that I plan and perform the audits to obtain assurance about whether the financial statements are free of material misstatement. 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. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lafayette Parish Waterworks District North, Lafayette, Louisiana as of December 31, 1996 and 1995, and the results of its operations and cash flows of its proprietary fund type for the years then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of the Lafayette Parish Waterworks District North, Lafayette, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also in a report dated May 3, 1997 on my consideration of the Lafayette Parish Waterworks District North's internal control structure and a report dated May 3, 1997 on its compliance with laws and regulations.


Robert H. Jovic
Certified Public Accountant

Lafayette, Louisiana
May 3, 1997

and is still charging a service fee for maintaining these accounts. The fees are running at \$11⁰⁰ for each account or a total of more than \$33 per month.

Recommendation:

As this procedure is rather expensive, and liquidity is not necessary, it is recommended that when funds are being transferred to Restricted Accounts, they be made from the General Fund and bypass the checking accounts and go directly to the Investment Accounts. Correspondence with the Trust Division of the bank indicates that this procedure is acceptable to the bank.

Management's response:

Management will transfer all accounts to Restricted Investments and not deposit those funds to a checking account for further transfer to investments. Further these bank accounts will be closed.

With the above procedures placed into effect, it will certainly assist the board in discharging its obligations and will make for a better administered board.


Robert E. Irwin
Certified Public Accountant
May 3, 1967

This report is intended for the information of management, the Lafayette Parish Consolidated Government, and Farmers Home Administration (Rural Development).

However, this report is a matter of public record and its distribution is not limited.


Robert K. Smith
Certified Public Accountant
Lafayette, Louisiana
May 3, 1993

IV. TWO SIGNATURES REQUIRED ON CHECKS:

With reference to bank reconciliations, it was noted that one signature was the only requirement for signing checks. This was done because the board wanted to pay for only one fidelity bond. The Treasurer was required to write the checks and the president would sign same. This procedure, in effect, required dual knowledge of the expenditures made. This procedure, while saving dollars on insurance premiums, was acceptable. This procedure appears to have ended during 1966.

Recommendation:

It is recommended that two signatures be required on checks issued by the board. Caution is recommended in that sometimes one of the signers signs checks and leaves same in the checkbook. This, again would not be an acceptable solution.

Management's Response:

Management has instituted a policy of requiring two signatures on checks with both persons being covered by fidelity bonds. Also, checks will not be signed by one individual and left in the checkbook, and at a later date the second signature is made.

V. AUDIT COMMITTEE:

An audit committee should be formed to work in close harmony with the accountant, attorney, engineer, right-of-way clerk, the secretary and any other person associated with financial matters.

Management's Response:

An audit committee will be appointed, as well as other committees in order that all members of the board become more active and informed concerning activities of the District.

In planning and performing my audit of the financial statements of the District for the year ended December 31, 1994, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my 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.

A. Single signatures on checks.

It was noted that during the year ended December 31, 1994, procedures changed in the manner in which checks were prepared and signed. In the year 1994, checks were signed by only one individual (the President) and that many checks were made to him without the consent or knowledge of the Treasurer of the District. This situation lead to expenditures in which the President was paid for acknowledged expenses and an hourly rate of \$25 per hour which was not authorized.

B. Bank Reconciliations not completed in a timely manner.

In connection with (A) above the bank accounts of the District were not reconciled in a timely manner. Bank accounts and other mail was not picked up at the U S Post Office for as long as 3 or more months. Another individual would reconcile the bank accounts but at a much later date than would normally be done, at which time only a cursory look would be made of the cancelled checks.

C. No close identification with deposits made into the Membership account as to who paid the deposit and a record kept as to who referrals would be payable to if water service was not given by the District.

ROBERT K. IRWIN
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 129
NEWARK BRIDGE, LOUISIANA 70617-0129
PHONE 338-228-7203 FAX 338-228-7203

I have audited the financial statements of the Lafayette Parish Waterworks District North, Lafayette, Louisiana (the District) as of and for the year ended December 31, 1996, and have issued my report thereon dated May 3, 1997. I have further reported on matters of internal control and compliance in reports also dated May 3, 1997.

There are other matters that I feel would be beneficial in the day to day operation of the district. These recommendations are made with the intention of helping the District to function in a manner that will comply with laws, regulations, and contracts and internal control to prevent problems which occurred during the past year.

I. TOO MUCH CONTROL BY ONE INDIVIDUAL:

As often happens in organizations such as the District, one, or a group of individuals, assume too much control over the activities of the group as a whole. When this happens, these individuals tend to "take over" and if not stopped, could end up making illegal or unlawful expenditures to the detriment of the whole.

Recommendation:

It is recommended that a procedure be placed into effect whereby all members of the board be actively involved in the activities of the District.

Management's response:

Management has instituted procedures whereby all members of the board will be active.

I also noted other matters involving the internal control structure and its operation that I have reported to the management of the District in a separate letter dated May 3, 1987.

This report is intended for the information of the management of the District, the Lafayette Parish Consolidated Government, and Farmers Home Administration (Rural Development). However, this report is a matter of public record, and its disclosure is not limited.



Robert H. Irwin
Certified Public Accountant
Lafayette, Louisiana
May 3, 1987

I performed tests of controls, as required by GAO circular A-122, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the District's Major Federal Financial Assistance Programs, which are identified in the accompanying Schedule of Federal Financial Assistance. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the District's ability to administer Federal Financial Assistance Programs in accordance with applicable laws and regulations.

As in the internal control structure for the financial statements, the internal control structure for reconciling the bank account of funds under generally accepted accounting principles was lacking. It is noted that the bank account of the Federal funds financed, were not reconciled on a routine basis, as well as, only one signature being required on checks.

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 of risk that noncompliance with laws and regulations that would be material to a Federal Financial Assistance Program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure policies and procedures used in administering Federal Financial Assistance would not necessarily disclose all matters of the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose conditions that are considered to be material weaknesses as defined above. However, I believe that the condition as described above would be a material weakness.

The management of the District 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, 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, and that Federal Financial Assistance Programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance 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.

For purposes of this report, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories.

Accounting Controls -----	Administrative Controls -----
Cash receipts	Cash management
Cash disbursements	Federal Financial Reports
Property and equipment	
Receivables	
Payables	
General Ledger	

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

During the year ended December 31, 1999, the District expended .29 of its total Federal Financial Assistance under Major Federal Financial Assistance Programs.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA

Notes to the Financial Statements (Continued)

13. CHANGES IN LONG-TERM OBLIGATIONS

See Note 11(L) for the transactions and annual requirements of long-term obligations of the District.

14. RELATED PARTY TRANSACTIONS

During the years ended December 31, 1988 and 1995, there were no related-party transactions.

15. LITIGATION AND CLAIMS

The District has been advised by its attorney that it is currently involved in litigation which could affect the District's future operations.

a. The Nature of the Litigation:

The litigation arose from a contractual relationship between Lafayette Parish Waterworks District North (WDM) and an independent water supplier, in order to purchase water from WDM on a wholesale basis for a specific subdivision in Lafayette Parish. The supplier unilaterally disconnected its water service with WDM and began serving its customers using its own water production facilities. WDM responded by filing a temporary restraining order preventing the supplier from interfering with WDM reconnecting its water supply to the water system. The supplier has filed a reconventional demand demanding damages as a result.

This matter was set for hearing on March 24, 1997.

WDM intends to seek an out-of-court settlement.

b. Evaluation of outcome:

It is uncertain what the potential outcome of this matter will be. If WDM loses at the ultimate trial of the matter herein, it may expect to pay sums ranging from \$5,000 to \$20,000. These sums are merely an estimate and are not intended to represent a certain calculation of the potential damage.

ROBERT E. IRWIN
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 129
BRIAR BRIDGE, LOUISIANA 70527-0129
PHONE 318-228-7200 FAX 318-228-7200

INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Commissioners
Lafayette Parish Waterworks District
and the Board of Governors
Lafayette Parish Consolidated Government
Lafayette, Louisiana

I have audited the financial statements of the Lafayette Parish Waterworks District North (the District) as of and for the year ended December 31, 1996, and have issued my report thereon dated May 3, 1997.

I conducted my audit in accordance with generally accepted auditing standards; government Auditing Standards, issued by the Comptrol General of the United States; and Office of Management and Budget Circular A-133, edicts of State and local governments. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the District complied with laws and regulations, noncompliance with which would be material to a major Federal financial assistance program.

In planning and performing my audits for the year ended December 31, 1996, I considered the internal control structure of the District in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements of the District and on compliance of the District with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to Federal Financial Assistance Programs. I have addressed internal control structure policies and procedures relevant to my audit of the financial statements in a separate report dated May 3, 1997.

VI. MINUTES OF MEETINGS OF THE BOARD:

The minutes of the meetings of the Board of Commissioners are recorded on tape. Taped over to the Secretary, who transcribes them and presents them to the board for approval at the next board meeting. At practically all meetings, the minutes of the previous meeting are not read but were accepted as presented. It is possible that motions are missed and not recorded and unless a member remembers the last meeting, a motion can be made and not be recorded.

Recommendation:

The Secretary to the board should attend all meetings of the board, record the proceedings, and present same for approval before the next board meeting. Copies of the minutes should be reviewed by each member before the meeting and motion made that the minutes should be approved if questions are not raised concerning the previous meeting.

Management's response:

The Secretary to the board will attend all meetings, transcribe the notes and send them to all members prior to the next upcoming meeting.

VII. MAINTAINING BANK DEPOSITS ON SMALL ACCOUNTS:

The District is required to transfer funds to three (3) restricted bank accounts. These are:

Reserve fund
Contingency fund
Sinking fund

At present monies are transferred to these accounts and then placed in investments with the Trust Division of the local bank. In the past, when transfers were made to the Investment Accounts, small amounts remained in the checking account and forgotten about. The bank does not forget, however, and did,

LAFAYETTE PARISH WATERWORKS DISTRICT SOUTH
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA

Notes to the financial statements (Continued)

Balance in these accounts at December 31,

	1996	1995
Sinking fund	\$133	\$88,488
Contingency fund	654	59,229
Reserve fund	110	71,616
Construction fund	59,193	191
	<u>\$49,090</u>	<u>\$191,408</u>

6. INVESTMENTS

As December 31, 1996, the District had funds in investment accounts of \$225,709 in the various Restricted funds as well as the \$215,611 in General Fund Investments. These investments are recorded at cost, which approximates market. The District did not have investments as a 12-31-95.

7. RECEIVABLES

The District's receivable from operating services were:

City of Lafayette, Louisiana \$39,916 at 12-31-96 and \$27,345 at 12-31-95.

As the City of Lafayette, Louisiana is the only open account of the District, it is not considered practicable to provide a provision for doubtful accounts. The receivables from each customer is the responsibility of the City of Lafayette, Louisiana.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
 LAFAYETTE CONSOLIDATED GOVERNMENT
 LAFAYETTE, LOUISIANA
 STATEMENTS OF REVENUES/EXPENSES & CHANGES IN RETAINED EARNINGS
 Years ended December 31, 1998 and 1995

	1998	1995
OPERATING REVENUES:		
Water sales	\$979,253	\$979,194
Other revenues	41,809	13,045
NET OPERATING INCOME	1,020,655	992,190
OPERATING EXPENSES:		
Cost of water sold	528,388	455,853
Services installed	28,188	4,280
Water meters installed	3,949	5,444
Penalty fees	8,653	8,953
WSP Charges	892	1,043
Construction fees	3,518	3,248
Accounting & audit fees	5,640	19,838
Legal fees	7,788	0
Miscellaneous expenses	3,083	4,548
Depreciation expense	99,098	12,688
Director fees	4,310	3,900
Insurance expenses	849	3,551
Interest on deposit refunds	372	474
Pump station expenses	364	0
Miscellaneous operating expenses	30,587	9,048
Office expenses & supplies	156	882
Secretarial expenses	985	768
	383,715	609,325
NET OPERATING INCOME	636,920	382,864
OTHER INCOME (EXPENSES)		
Interest and Investment Income	8,081	32,337
Interest expense	(189,484)	(384,828)
Net other expenses	(181,373)	(352,411)
NET INCOME	445,547	32,771
Retained earnings January 1,	494,362	392,927
Retained earnings December 31	\$900,919	\$404,392

See Notes to financial statements.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
 LAFAYETTE CONSOLIDATED GOVERNMENT
 LAFAYETTE, LOUISIANA
 STATEMENTS OF CASH FLOWS
 Years ended December 31, 1986 and 1985

	1986	1985
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$115,547	\$101,465
Adjustments to reconcile operating income to net cash provided by operations:		
Depreciation	88,088	92,480
(Increase) in accounts receivable	(12,871)	(3,879)
(Increase) in accounts payable	26,735	13,269
Increase in prepaid insurance	(527)	336
Increase in accrued interest payable	2,258	3,223
Net cash provided by operations	<u>229,580</u>	<u>206,803</u>
CASH FLOWS FROM CAPITAL & RELATED ACTIVITIES		
Receipts from interim loans	50,000	0
Reduction in notes payable	(14,245)	(22,892)
Investments in restricted assets	(84,866)	(84,866)
Capital outlay & costs in process	(182,926)	(27,408)
Increase in Membership deposits	28,250	18,883
Net cash flows used by capital activities	<u>(183,807)</u>	<u>(114,780)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
General fund investments	(115,411)	0
Investment in Water Commission	0	(5,000)
Net cash flows used by investing activities	<u>(115,411)</u>	<u>(5,000)</u>
Net change in cash	(69,638)	66,823
Cash at beginning of year	108,523	39,707
Cash at end of year	<u>\$39,885</u>	<u>\$106,530</u>
Interest paid during year	<u>\$187,236</u>	<u>\$188,480</u>

See Notes to financial Statements.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA
NOTE TO FINANCIAL STATEMENTS

INTRODUCTION

The Lafayette Parish Waterworks District North was created by Ordinance No. 261 of the Lafayette Parish Police Jury on October 10, 1974. The purpose of the district is to provide potable drinking water to the residents of the district located in the Rural Sections of Lafayette Parish. The directors of the District include ten (10) members appointed by the Lafayette Consolidated Government. They are compensated from revenues earned by the district but limited to that set by the Consolidated Government. The District serves approximately 1,000 customers. There are no employees as all water is purchased from the City of Lafayette under a contract in which the City provides all of the operating services to the customers. The District does not own an operating facility.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit financial statements of Lafayette Parish Waterworks District North have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Lafayette Consolidated Government is the reporting entity for Lafayette Parish. The financial reporting entity consists of (a) the primary government (Consolidated Government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's

LAFAYETTE PARISH MATHEWSON DISTRICT NORTH
LAFAYETTE CONSOLIDATED GOVERNMENT
Lafayette, Louisiana
Notes to Financial Statements (Continued)

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 Lafayette Consolidated Government for 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 body, and
 - a. The ability of the Consolidated Government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose financial burdens on the Consolidated Government.
2. Organizations for which the Consolidated Government does not appoint a voting majority but are financially dependent on the Consolidated Government.
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 Consolidated Government appoints all members of the Board of Directors of the District, the District was determined to be a component unit of the Lafayette Consolidated Government, the financial reporting entity.

LAFAYETTE PARISH WATERWORKS DISTRICT NOTES
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA

Notes to the Financial Statements (Continued)

The accompanying financial statements present information only on the funds maintained by the district and do not present information on the Lafayette Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The accounts of the district are organized as an enterprise fund. Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds (including enterprise funds) are accounted for on a flow of economic resources management focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds 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 operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

E. BUDGETS

Ninety (90) days prior to the beginning of the calendar year, Farmers Home Administration (rural development) requires the adoption of a budget. Budgets are adopted on the accrual basis of accounting. After the budget has been approved and

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA
Notes to Financial Statements (Continued)

forwarded to the bond-holder (Rural Development), it becomes a guide for the District to follow. The budget may be changed but not before Rural Development has given its approval. Appropriations are not used lapses at year end.

F. ENCUMBRANCES

The District does not use the Encumbrance method of accounting.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. It is the District's policy to treat highly liquid short-term investments as cash equivalents. For example, cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, Treasury notes, or certificates. Those are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

H. INVENTORIES

The District does not keep an inventory of consumable supplies.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA

Notes to financial statements (Continued)

I. PREPAID ITEMS

Payments made to vendors that will benefit periods beyond year end are recorded as prepaid items.

J. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed. Interest costs incurred during construction are capitalized. Depreciation of all exhaustible fixed assets used by enterprise funds is charged as an expense against operations. Accumulated depreciation is reported as enterprise fund balances sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of fixed assets are as follows:

Water service lines	10 - 40 years
Machinery and equipment	10 - 20 years

K. COMPENSATED ABSENCES

The district does not have employees. Compensated absence is not an issue as of December 31, 1998.

L. LONG-TERM OBLIGATIONS

The District entered into three (3) separate loan agreements with Rural Development (formerly Farmers Home Administration) for the purpose of constructing a water distribution system and for providing extensions to the system.

The loans were made as follows:

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
 LAFAYETTE CONSOLIDATED GOVERNMENT
 LAFAYETTE, LOUISIANA
 Notes to the financial statements (Continued)

Date made	Amount borrowed	Rate	Term
04-10-89	\$1,000,000	7.800%	40 yrs
05-05-88	500,000	7.750%	40 yrs
08-07-81	550,000	5.833%	40 yrs

All three of the above-listed notes were outstanding as of December 31, 1994

Status of notes as of 12-31-94

Balance 01-01-94	Additions	Reductions	Balance
\$667,571	\$0	\$6,437	\$658,203
872,366	0	7,355	865,062
934,896	0	8,454	924,441
<hr/>	<hr/>	<hr/>	<hr/>
\$2,774,723	\$0	\$24,246	\$2,750,478

Balance 01-01-95	Additions	Reductions	Balance
\$ 872,327	\$0	\$4,747	\$867,571
866,886	0	5,628	861,258
947,441	0	12,945	934,896
<hr/>	<hr/>	<hr/>	<hr/>
\$2,750,444	\$0	\$22,922	\$2,727,523

LAFAYETTE PARISH WATERWORKS DISTRICT SOUTH
 LAFAYETTE CONSOLIDATED GOVERNMENT
 LAFAYETTE, LOUISIANA
 Notes to Financial Statements (Continued)

Maturities of long-term liabilities are scheduled as follows:

Year ended	Interest	Principal	Total
12-31-97	\$ 368,867	\$21,355	\$390,222
12-31-98	368,484	24,618	\$393,102
12-31-99	368,092	28,881	\$396,973
12-31-00	367,682	32,430	\$400,112
12-31-01	367,248	36,364	\$403,612
12-31-02			
12-31-03			
12-31-04	3,368,481	3,618,821	7,987,302
	\$ 4,200,164	\$2,750,459	\$6,950,623

These long-term obligations are financed through operations.

On December 27, 1996 the District entered into a loan agreement with Rural Development by the signing of a Bond Anticipation Note in the amount of one Million Six Hundred Eighty Thousand Dollars (\$1,680,000). This Note was not activated as of December 31, 1998, but will be activated after the completion of the construction of the water facilities for which the bonds were sold. An interest rate was not determined as of 12-31-98. Interest rate and deposits into Restricted Accounts will be determined after the bonds are issued.

The District entered into an Interim Loan Agreement for the financing of the construction. Loan borrowings from a local bank will be made in accordance with percentage of completion of contract as approved by the District's engineer and Rural Development loan retentions percentages as per contracts with the contracting firms.

M. FUND EQUITY

There are no reserves or designated fund balances.

N. LEVIED TAXES

The District does not have the authority to levy taxes.

O. FUND DEFICITS

There are no fund deficits.

LAFAYETTE PARISH WATERWORKS DISTRICT BOARD
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (Continued)

project is \$1,688,000. The project is expected to be completed in mid-1997 with service commencing approximately September 1, 1997. Funds will be provided by a loan of \$1,688,000 from Rural Development. See Note 5 for details concerning this project.

10. SUBSEQUENT EVENTS

The District did not enter into any contracts or suits since the end of the year which would make these financial statements misleading or incorrect.

During January 1997, the President of the Board resigned and a replacement has not been assigned as of this writing.

LAFAYETTE PARISH WATERWORKS DISTRICT BONDS
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA

Notes to the financial Statements (Continued)

5. RESTRICTED CASH

As required by the loan agreements with the bond holders, certain resources are set aside for future contingencies. Their use is restricted, and classified as such on the balance sheet. Four separate accounts have been provided. They are:

a. Sinking fund

The Sinking fund is used to accumulate a monthly sum, which will eventually equal a one year annual note payment on the bonds, over a 18-year period.

b. Contingency fund

commencing with the month following completion of the waterworks system financed with bonds issued by Rural Development, a sum designated by Rural Development must be deposited into this fund.

c. Reserve fund

commencing with the month following completion of the waterworks system financed by proceeds of bonds issued by Rural Development, a sum equal to 5% of the monthly payments being made into the sinking fund must be deposited into this fund.

d. Construction fund

This fund is used only during periods of construction. Funds are expended for capital improvements authorized by Rural Development.

ROBERT K. IRWIN
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 129
BREWSTER BRIDGE, LOUISIANA 70517-0129
PHONE 337-228-7203 FAX 337-228-3103

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Lafayette Parish Waterworks District North, and
The Board of Governors
Lafayette Consolidated Government
Lafayette, Louisiana

I have audited the financial statements of Lafayette Parish Waterworks District North, Lafayette, Louisiana (the District), as of and for the year ended December 31, 1996, and have issued my report thereon dated May 3, 1997.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the District 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 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.

REQUIRED GOVERNMENT REPORTS
DECEMBER 31, 1994

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LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA

ANNUAL REPORT

December 31, 1966

Under provisions of state law, this report is a public document. A copy of the report has been distributed to the auditor, or trustees, entity and other appropriate public officials. The report is available for public inspection at the Home Range office of the Legislative Auditor and, where applicable, at the office of the parish clerk of court.

Release Date: _____

STATE OF LOUISIANA
LEGISLATIVE AUDITOR
HOME RANGE OFFICE
MONROE, LOUISIANA

LAFAYETTE PARISH MATHEMATICS DISTRICT NORTH
 LAFAYETTE CONSOLIDATED GOVERNMENT
 LAFAYETTE, LOUISIANA

Notes to the Financial Statements (Continued)

8. CHANGES IN PLANT, PROPERTY, AND EQUIPMENT

A summary of changes in plant, property, & equipment follows:

	Balance 12-31-95	Additions	Deletions	12-31-96
Land	\$0	\$10,000	\$0	\$10,000
Water service lines	3,423,484	62,197	0	3,485,681
Processing Plant	0	0	0	0
Equipment	0	15,000	0	15,000
Other asset class	0	0	0	0
Total	\$3,423,484	\$87,197	\$0	\$3,510,681
Less: accumulated depreciation	427,459	98,057	0	525,516
Total	\$3,196,025	\$89,140	\$0	\$2,985,165

9. PENSION PLAN

No employees, no pension plan.

10. OTHER POSTEMPLOYMENT BENEFITS

None.

11. COMPENSATED ABSENCES

None.

12. LEASES

None.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA

Notes to the Financial Statements (Continued)

Counsel for NWS states that he is unaware of any possible claims or assessments against the Lafayette Parish Waterworks District North, other than as stated above.

16. SUBSEQUENT EVENTS

As at December 31, 1994 and 1995, there were no events that occurred between the close of the fiscal period and the issuance of these financial statements.

17. OTHER SUPPORT

None.

18. CONTRACTUAL AGREEMENTS

The District entered into an agreement with the City of Lafayette Louisiana whereby the City is to furnish water to the District at a rate of \$1.212 per 1,000 gallons of water used. The City handles all administrative matters and insurance as well as billing and collections for water service to customers.

After paying all of the operating expenses of the water system, the District is paid the remainder of the funds collected.

The above contract has been amended to provide water at a rate of \$1.71 per 1,000 gallons used.

It is anticipated that the District and the Lafayette Utility System will renegotiate the contract in the future.

19. CONTINGENCIES

The District has purchased land for the construction of a water distribution system and the service lines necessary to deliver water services to approximately 1,000 customers. The total estimated cost for this

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA

HISTORY AND NATURE OF OPERATIONS

As noted in the Notes to the Financial Statements, Lafayette Parish Waterworks District North, Lafayette, Louisiana (the District) was organized by the provisions of ordinance 281 of the Lafayette Parish Police Jury as a political subdivision of the Parish.

After the completion of a loan from the Rural Development and the signing of 700 customers to the water system, the District became fully functional in October 1988.

The present commissioners and their dates of expiration of their present term is as follows:

Larry J. Pitre - chairman	October 25, 1990
D. G. Broussard - vice-chairman	June 26, 1998
Werton Broussard - Sec./Treas.	June 26, 1997
James Prather	November 9, 1990
Johnny Frejones	June 26, 1997
Claude Anderson	November 10, 1997
Joseph M. Walker	November 10, 1997
Jack Montouquet	October 26, 1997
John Richard	March 11, 1998
James Billaud	June 26, 1999

Commissioners paid during the year ended December 31, 1994:

Larry J. Pitre	\$1,000.00
D. G. Broussard	888.00
Werton Broussard	548.00
James Prather	0.00
Johnny Frejones	585.00
Claude Anderson	548.00
Joseph M. Walker	315.00
Jack Montouquet	300.00
John Richard	228.00
James Billaud	368.00

	\$4,710.00

Mr. Pitre was also paid \$31,786.721 (see page 12) for out-of-pocket expenses including an hourly rate of \$25 per hour for expenses on District business.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA

CUSTOMER DATA

There are a total of more than 3,800 customers being serviced by the District.

Rates charged are \$4.00 for the first 1,000 gallons used, and \$7 for each additional 1,000 gallons.

The City of Lafayette, Louisiana, under the terms of the present contract, is responsible for the billing and collection of all accounts. After paying all operating expenses, the City of Lafayette, Louisiana remits the remainder to the District.

ROBERT K. IRWIN
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 129
BEAUNE BRIDGE, LOUISIANA 70517-0129
PHONE 338-228-7000 FAX 338-228-7000
INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL
FINANCIAL ASSISTANCE

To the Board of Commissioners
Lafayette Parish Waterworks District North, and
to the Board of Governors
Lafayette Consolidated Government
Lafayette, Louisiana

I have audited the financial statements of the Lafayette Parish Waterworks District North, as of and for the year ended December 31, 1996, and have issued my report thereon dated May 3, 1997. The financial statements are the responsibility of the Lafayette Parish Waterworks District North management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, audits of State and local governments. These standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was conducted for the purpose of forming an opinion on the financial statements of Lafayette Parish Waterworks District North taken as a whole. The accompanying schedule of Federal Financial Assistance is presented for the purpose of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.


Robert K. Irwin Certified Public Accountant Lafayette, Louisiana
May 3, 1997

LASALLE PARISH METROPOLE DISTRICT NORTH
LASALLE CONSOLIDATED GOVERNMENT

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Years Ended December 31, 1994 and 1995

GRANTOR AGENCY

U. S. Department of Agriculture

Rural Development Agency

Purpose - water services

CFDA Number 10.410

	1994	1995
Financial Assistance	\$1,000,000	None
Assistance used	50,000	None
Remainder	\$1,000,000	None

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA

SCHEDULE OF CUSTOMERS CONNECTED AND RATE SCHEDULE

The Lafayette Parish Waterworks District North (the District) operates and deals only with the City of Lafayette Utility System in the operations of the Water System. The City of Lafayette has always been current with respect to payment for water furnished. No data is available to the District as to the aging of accounts of the District's customers.

The District serves through the City of Lafayette more than 3,000 residential customers and 100 commercial customers.

Rates for services are:

\$13 for first 3,000 gallons

\$2.10 for each additional 1,000 gallons

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA

Notes to the financial statements (Continued)

4. CASH AND CASH EQUIVALENTS

At December 31, 1996 and 1995, the District had cash and cash equivalents (book balances) totaling \$39,874 at 12-31-96 and \$108,533 at 12-31-95.

Accounts open at year end 1996 and 1995 were:

Name of account	12-31-96	12-31-95
General account	\$39,874	\$108,533
Memberships account	1,106	558
Construction account	10,583	183
Reserve account	100	73,818
Contingency account	888	89,328
Sinking fund account	332	58,450
	\$60,863	\$300,871

The above accounts are demand deposit accounts except, the Reserve, Contingency, and Sinking Fund accounts which are interest-bearing demand deposits and are restricted in their use.

These deposits are stated at cost, which approximates market.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal bank. The market value of the pledged securities plus federal deposit insurance must be at all times equal to the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1996, the District has \$19,813 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 federal deposit insurance and \$988,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
 LAFAYETTE CONSOLIDATED GOVERNMENT
 Lafayette, Louisiana
 BALANCE SHEETS
 DECEMBER 31, 1996 and 1995

	1996	1995
ASSETS		
CURRENT ASSETS		
Cash	\$19,874	\$108,533
Investments	118,811	0
Due from city of Lafayette	19,938	27,348
Prepaid insurance	883	280
	-----	-----
	159,506	136,161
RESTRICTED CASH & INVESTMENTS		
Cash	41,197	192,938
Investments	238,708	0
	-----	-----
	279,905	192,938
PLANT, PROPERTY, & EQUIPMENT		
	3,205,144	3,176,005
OTHER ASSETS		
Construction in progress	82,887	4,277
Investment in Water commission	5,880	5,000
	-----	-----
	88,767	9,277
TOTAL ASSETS	\$4,733,644	\$3,532,419

See Notes to Financial Statements.

LIABILITIES AND FUND EQUITY**CURRENT LIABILITIES**

Accounts payable	\$28,738	\$0
Membership deposits	88,188	16,815
current portion long-term debt	33,338	11,986
Accrued interest payable	38,117	13,789
Interim loan	58,000	0
	<u>182,381</u>	<u>42,710</u>

LONG-TERM LIABILITIES

Notes payable less current portion	2,727,129	2,742,737
Total liabilities	<u>2,909,470</u>	<u>2,825,437</u>

FUND EQUITY

Contributed capital	315,450	318,090
Retained earnings - unreserved	609,939	488,382
	<u>925,389</u>	<u>710,642</u>

TOTAL LIABILITIES & FUND EQUITY

	<u>3,735,064</u>	<u>33,538,479</u>
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See Notes to Financial Statements.

LAFAYETTE PARISH METROPOLITAN DISTRICT NORTH
LAFAYETTE CONSOLIDATED GOVERNMENT
LAFAYETTE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

DECEMBER 31, 1994

Policy number 1119111111 issued by Western Security Company,
Sioux Falls, South Dakota 57192 covering Position Fidelity
Schedule Bond.

President \$100,000

Policy expires October 9, 1997.

NOT AUDITED