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**BERWICK-BAYOU VISTA
JOINT WATERWORKS COMMISSION
OF THE
PARISH OF ST. MARY
STATE OF LOUISIANA**

FINANCIAL STATEMENTS

**For the Years Ended
September 30, 2003 and 2002**

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the state 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 3-24-04

BERRICK - BAYOU VISTA
JOINT WATERWORKS COMMISSION
IN THE
PARISH OF ST. MARY
STATE OF LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
SEPTEMBER 30, 2003 AND 2002

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BERWICK – BAYOU VISTA JOINT WATERWORKS COMMISSION

PARISH OF ST. MARY STATE OF LOUISIANA

Management's Discussion and Analysis (Unaudited)

Our discussion and analysis of the financial performance of Berwick – Bayou Vista Joint Waterworks Commission provides an overview of the Commission's financial activities for the fiscal year ended September 30, 2003. Please read it in conjunction with the Commission's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

The Commission's net assets increased by \$44,001 from \$583,308 on September 30, 2002 to \$627,307 on September 30, 2003.

The Commission's total operating revenues were \$508,308 and operating expenses were \$489,104 resulting in operating income of \$19,114.

The interest earned on the money market account and the certificate of deposits was \$1,677 for the year.

Cash and cash equivalents increased by \$84,408 for the year ended September 30, 2003.

USING THIS ANNUAL REPORT

This annual report consists of these parts – Management's discussion and analysis, the basic financial statements, and supplementary information. The basic financial statements consist of the fund financial statements and the notes to the financial statements. The fund financial statements focus on individual parts of the Commission's, offering short and long-term financial information about the activities that the government operates like businesses.

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the Commission as a whole, in format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows.

The Statement of Net Assets (Pages 7 & 8) presents the current and non-current portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Assets* (Page 8) presents information showing how the Commission's assets changed as a result of current operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transaction occurs. As a result, there are transactions included that will not affect cash until future periods.

The *Statement of Cash Flows* (Pages 10 & 11) presents information showing how the Commission's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE COMMISSION

Condensed Statements of Net Assets As of September 30, 2003 and 2002

	2003	2002	Change
Current assets	\$ 67,727	\$ 60,464	\$ 7,266
Noncurrent assets:			
Restricted assets	230,570	171,252	59,318
Capital assets - net	389,466	410,712	(21,246)
Other assets	1,242	1,242	-
Total assets	<u>\$ 689,005</u>	<u>\$ 643,670</u>	<u>\$ 45,335</u>
Current liabilities:	\$ 29,695	\$ 28,561	\$ 1,137
Noncurrent liabilities	22,090	22,090	-
Total liabilities	<u>\$ 51,785</u>	<u>\$ 50,651</u>	<u>\$ 1,137</u>
Net assets:			
Invested in capital assets	\$ 389,464	\$ 410,712	\$ (21,248)
Restricted	130,570	171,252	59,318
Unrestricted	17,273	11,242	5,991
Total net assets	<u>\$ 537,307</u>	<u>\$ 593,206</u>	<u>\$ (64,081)</u>

Restricted net assets, represent those assets that are restricted for funding major repairs and capital outlay equipment when their cost exceed \$1,000. The Commission charges the participants a fee for their water usage and is based on a rate of 18 cents per thousand gallons consumed. For the years ended September 30, 2003 and 2002 the Commission expended \$19,510 and \$128,860 on major repairs and capital outlay.

FINANCIAL ANALYSIS OF THE COMMISSION (Continued)

Condensed Statement of Revenues,
Expenses and Changes in Net Assets
For the Years Ended September 30, 2003 and 2002

	2003	2002	Change
Operating revenues	\$ 908,368	\$ 1,075,301	\$ (166,933)
Operating expenses	466,194	417,970	48,224
Operating income	<u>\$ 442,174</u>	<u>\$ 657,331</u>	<u>\$ (215,157)</u>
Nonoperating revenues			
Interest income	1,887	2,923	(1,036)
Total nonoperating revenues	<u>1,887</u>	<u>2,923</u>	<u>(1,036)</u>
Change in net assets	\$ 444,061	\$ 660,254	\$ (216,193)
Total net assets, beginning of year	385,306	413,850	166,256
Total net assets, end of year	<u>\$ 637,307</u>	<u>\$ 593,396</u>	<u>\$ 44,091</u>

The Commission's total revenues decreased by 12% from \$1,075,301 in 2002 to \$908,368 in 2003 primarily due to the \$166,251 in charges to the participants for a non-recurring capital outlay project incurred in 2002. In the year and September 30, 2003 the Commission expended \$4 in capital projects as compared to \$713,032 for the year ended September 30, 2002.

CAPITAL ASSETS

There were not any capital additions during the year ended September 30, 2003. At September 30, 2003 and 2002, the Commission had \$458,548 and \$458,548, respectively, invested in a broad range of capital assets, including various system improvements and equipment.

FUTURE PLANNING

The Berwick – Bayou Vista Joint Waterworks Commission continually strives to produce the highest quality water for human consumption in accordance with all current regulatory agency requirements. The U.S. EPA administers the Safe Drinking Water Act and amendments that govern various chemical, biological, nuclear and other treatment criteria and parameters. EPA has issued many rules under the authority of the Safe Drinking Water Act that all water treatment plants, including Berwick – Bayou Vista Joint Waterworks Commission, must follow.

In response to the myriad of regulations, the Berwick – Bayou Vista Joint Waterworks Commission has undertaken many projects and has identified several long-range capital spending items anticipated to maintain compliance with the Safe Drinking Water Act. In February 2004, a construction contract for painting and repairs to the plant's two clarifier units was awarded at a cost of \$80,000. Long-range items beyond the present five year capital outlay plan under consideration are: a ground storage tank, estimated cost \$500,000, onsite emergency electrical generators for both the plant and raw water intake pump station, estimated cost \$175,000; continuous chemical monitoring equipment (chlorine dioxide, etc.), estimated cost \$50,000. Finally in response to Homeland Security concerns, the federal government is requiring water treatment plants to undertake vulnerability assessments and implement actions to protect water supplies. The impacts and costs of these requirements on the Berwick – Bayou Vista Joint Waterworks Commission are presently unknown, but the Commission is actively implementing all directives.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, participants and other interested parties with a general overview of the funds maintained by the Commission and to show the Commission's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Billy Mazon (883) 358-5011 Berwick – Bayou Vista Joint Waterworks Commission at P.O. Box 522, Berwick, Louisiana 70342.

ADAMS & JOHNSON

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Beneick - Bayou Vista Joint Waterworks Commission
P.O. Box 322
Beneick, Louisiana 70342

We have audited the accompanying financial statements of Beneick - Bayou Vista Joint Waterworks Commission, a joint venture of the Town of Beneick & Waterworks District No. 2 of the Parish of St. Mary, State of Louisiana, as of and for the years ended September 30, 2003 and 2002, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we 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 also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Beneick - Bayou Vista Joint Waterworks Commission as of September 30, 2003 and 2002, and the results of its operations and the cash flows for the proprietary fund for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 1 to 4 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information, as listed in the table of contents, while not considered necessary for a fair presentation of the financial statements, is presented as supplementary analytical data.

Such information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to auditing procedures applied in the audit of the financial statements, and in our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated December 9, 2009 on our consideration of Denwick-Bayou Vista Joint Waterworks Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in considering the results of our audit.



ADAMS & JOHNSON
Certified Public Accountants

Patterson, Louisiana
December 9, 2009

BERWICK - RAYOU VISTA JOINT WATERWORKS COMMISSION
INTERNAL SERVICE FUND
STATEMENT OF NET ASSETS
September 30, 2003 and 2002

ASSETS

	<u>2003</u>	<u>2002</u>
Current assets:		
Cash	\$ 15,212	\$ 11,154
Due from Participants	41,810	39,388
Prepaid Insurance	11,905	9,609
Total Current Assets	<u>\$ 67,927</u>	<u>\$ 60,151</u>
Noncurrent Assets:		
Restricted Assets:		
Cash	\$196,975	\$ 137,128
Certificate of Deposit	27,971	27,468
Due from Participants	5,533	6,528
Accrued Interest	92	128
Capital assets (part of accumulated depreciation)	389,486	410,712
Total Noncurrent Assets	<u>620,057</u>	<u>581,964</u>
Other Assets:		
Deposits	<u>1,242</u>	<u>1,242</u>
Total Assets	<u>\$690,085</u>	<u>\$ 643,657</u>

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

BERWICK - BAYOU VISTA JOINT WATERWORKS COMMISSION
INTERNAL SERVICE FUND
STATEMENT OF NET ASSETS
September 30, 2003 and 2002

LIABILITIES AND NET ASSETS

	<u>2003</u>	<u>2002</u>
Liabilities:		
Current Liabilities:		
Accounts Payable	\$ 26,547	\$ 25,713
Payroll Taxes Payable	917	804
Retirement Payable	2,234	1,844
Total Current Liabilities	<u>\$ 29,698</u>	<u>\$ 28,361</u>
Noncurrent Liabilities:		
Due to Participants	22,000	22,000
Total Noncurrent Liabilities	<u>22,000</u>	<u>22,000</u>
Total Liabilities	<u>\$ 51,698</u>	<u>\$ 50,361</u>
Net Assets		
Invested in Capital Assets	\$ 389,464	\$ 410,713
Restricted	210,570	171,253
Unrestricted	17,273	11,342
Total Net Assets	<u>617,307</u>	<u>593,308</u>
Total Liabilities and Net Assets	<u>\$ 669,005</u>	<u>\$ 643,669</u>

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

BERWICK - BAYOU VISTA JOINT WATERWORKS COMMISSION
INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
September 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Operating Revenue:		
Charges for Services	\$ 429,113	\$ 396,988
Charges for Capital Additions	—	98,251
Repair and Replacement Fee	79,395	80,070
Total Operating Revenue	<u>\$ 508,508</u>	<u>\$ 575,309</u>
Operating Expenses:		
Advertising	\$ 441	\$ 597
Auto	3,291	3,087
Chemicals	109,231	94,552
Insurance	45,124	35,838
Secretary/Bookkeeping	8,000	6,045
Legal and Accounting	3,575	3,388
Miscellaneous	347	423
Supplies	3,334	3,171
Repairs and Maintenance	11,387	10,098
Major Repairs	19,015	13,548
Salaries	142,383	130,223
Taxes - Payroll	62	84
Utilities	69,271	64,516
Retirement	15,824	13,399
Engineering	4,037	13,113
Depreciation	31,246	12,877
Dees and Subscriptions	2,498	882
Lab Fees	4,559	6,206
Uniforms	2,308	1,969
Licenses	136	1,268
Total Operating Expenses	<u>468,194</u>	<u>477,970</u>
Operating Income	\$ 42,314	\$ 197,339
Nonoperating Revenue:		
Interest Income	<u>1,887</u>	<u>2,825</u>
Total Nonoperating Revenue	<u>1,887</u>	<u>2,825</u>
Change in Net Assets	\$ 44,061	\$ 160,156
Net Assets, Beginning	<u>393,386</u>	<u>432,090</u>
Net Assets, Ending	<u><u>\$ 437,447</u></u>	<u><u>\$ 592,246</u></u>

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

BERWICK - BAYOU VISTA JOINT WATERWORKS COMMISSION
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
For the Years Ended September 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Cash Flows From Operating Activities:		
Cash Received from Participants	\$ 900,692	\$ 601,377
Cash Payments for Personnel Services	(142,303)	(138,223)
Cash Payments for Supplies and Operating Services	<u>(702,814)</u>	<u>(239,573)</u>
Net Cash provided by Operating Activities	\$ 62,485	\$ 141,581
Cash Flow (Used By) Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	—	(113,002)
Cash Flows from Investing and Nonoperating Revenue and Expense Activities:		
Interest Income	<u>1,823</u>	<u>3,064</u>
Net Increase in Cash and Cash Equivalents	\$ 64,488	\$ 31,603
Cash and Cash Equivalents at Beginning of year	<u>175,750</u>	<u>144,127</u>
Cash and Cash Equivalents at End of Year	\$ 240,158	\$ 175,750

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

BERWICK - BAYOU VISTA JOINT WATERWORKS COMMISSION
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
For the Years Ended September 30, 2003 and 2002

	2003	2002
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ 42,114	\$ 157,331
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	21,246	12,877
Change in Assets and Liabilities:		
(Increase) Decrease in Due from Participants	(926)	26,076
(Increase) Decrease in Prepaid Insurance	(1,596)	(5,422)
(Decrease) Increase in Accounts Payable	834	(49,733)
(Decrease) Increase in Payroll Taxes	112	14
Increase in Retirement Payable	390	438
Net Cash Provided by Operating Activities	\$ 62,485	\$ 141,581

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

BERWICK – BAYOU VISTA JOINT WATERWORKS COMMISSION

NOTES TO FINANCIAL STATEMENTS

September 30, 2003 and 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Berwick-Bayou Vista Joint Waterworks Commission was established in 1991 as a joint venture between the Town of Berwick and St. Mary Parish Waterworks District No. 2. The Commission is composed of, and managed by, four board members. The Commission's sole responsibility and duty is to maintain, operate, administer and produce water for human consumption by utilizing the Joint Waterworks System.

The accounting and reporting policies of the Commission conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517, and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Basics of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A) Fund Structure:

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities, or attaining certain objectives in accordance with special regulations, restrictions or limitations.

PROPRIETARY FUND TYPE

Internal Service Fund – An Internal Service fund is used to account for the financing of special activities and services performed by a designated organizational unit, within a governmental jurisdiction for other organizational units within the same governmental jurisdiction.

B) Basis of Accounting:

The Commission has implemented GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments"

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B) Basis of Accounting (Continued)

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The Commission's accounting system uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C) Investments

Investments are stated at cost.

D) Accumulated Vacation, Compensatory Time and Sick Leave

Accumulated vacation, compensatory time and sick leave are recorded as an expenditure of the period in which earned. At September 30 2003 and 2002, unrecorded liabilities for the above are an immaterial amount.

E) Property, Plant, and Equipment

Property, plant, and equipment are stated at historical cost or estimated historical cost if actual historical cost is not available. Additions, improvements, and expenditures that add materially to productive capacity, or extend the life of an asset, are capitalized.

Depreciation is charged as an expense against operations. Depreciation has been provided over the estimated economic lives of the assets by the straight-line method. The estimated useful lives are as follows:

Equipment	5 - 40 years
Improvements	50 - 40 years

F) Statement of Cash Flows

For the purposes of the statement of cash flows, the Berwick-Bayou Vista Joint Waterworks Commission considers all cash and certificates of deposit with a maturity of less than one year, including restricted assets, to be cash or cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G) Estimates:

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

H) Escrow Costs:

Berwick-Bayou Vets Joint Waterworks Commission was established by a joint venture between two participants, the Town of Berwick and the St. Mary Parish Waterworks District No. 2. The Commission's sole responsibility and duty is to maintain and operate the Joint Waterworks system. Each participant accounts for their equity interest in Berwick-Bayou Vets Joint Waterworks on their own financial statement.

NOTE 2 - CASH AND CASH EQUIVALENTS

Statute authorizes the Commission to invest in certificates of deposit, repurchase agreements, passbooks, bankers acceptances and other available bank investments provided that approved securities are pledged to secure those funds on deposit, as required. Cash and interest bearing deposits as of September 30, 2003 and 2002 were as follows:

	September 30 2003	September 30 2002
Demand deposits	\$ 18,311	\$ 11,154
Money market accounts	198,078	137,128
Certificate of deposit	27,872	27,488
Total	<u>\$ 344,261</u>	<u>\$ 175,768</u>

NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

The District's cash and investments are categorized to give an indication of the level of risk assumed by the District at September 30, 2003 and 2002:

- Category 1 - Insured or collateralized with securities held by the District or by its agent in the District's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's first department or agent in the District's name.
- Category 3 - Uncollateralized or securities uninsured or unregistered and held by the counter party.

Cash and investments categorized by the level of risk are:

	<u>9-30-03</u>	<u>9-30-02</u>
Category 1	\$ 143,153	\$ 138,822
Category 2	\$ 98,978	\$ 37,128
Category 3	\$ ---	\$ ---
	<u>-----</u>	<u>-----</u>
Total Cash and Investments	\$ 242,131	\$ 175,950
	<u>-----</u>	<u>-----</u>

NOTE 3 - PROPERTY, PLANT, AND EQUIPMENT

Depreciation was \$21,248 and \$12,877 for the years ended September 30, 2003 and 2002.

Property	Balance 9-30-02	Additions	Disposals	Balance 9-30-03
Improvements	\$420,172	\$ ---	\$ ---	\$420,172
Equipment	38,378			38,378
Accumulated Depreciation	< 47,826 >	< 21,248 >	---	< 69,074 >
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Net of Accum. Depreciation	\$410,724			\$389,476
	<u>-----</u>			<u>-----</u>

NOTE 4 - PENSION PLAN

All fulltime employees of Berwick - Bayou Vista Joint Waterworks Commission are members of the Parochial Employees Retirement System of Louisiana, multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of Berwick - Bayou Vista Joint Waterworks Commission are members of Plan B.

All permanent employees working at least 28 hours per week who are paid wholly or in part from Berwick - Bayou Vista Joint Waterworks Commission funds are eligible to participate in the System. Under Plan B, employees who retire at or after age 62 with at least 10 years of creditable service or after age 58 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 55, with the basic benefit reduced 3 percent for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. Final average salary is the employee's average salary over the 30 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

Covered employees are required by the State Legislature to contribute 3.00% of their gross salary to the plan. The Commission was required by the same statute to contribute 3.75% in 2003 and 2.75% in 2002 of each employee's gross salary to the plan. The Commission's contributions for the year ended September 30, 2003 and 2002 were \$ 4,961 and \$ 3,423.

NOTE 4 - PENSION PLAN (Continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee Retirement System, Post Office Box 14016, Baton Rouge, Louisiana, 70899-4016 or by calling (225) 926-1381.

Retirement Plan - All Benwick - Bayou Vista Joint Waterworks Commission's employees are covered under the Federal Insurance Contribution Act (Social Security). The Commission's Contributions for the above plan totaled \$ 10,892 and \$ 9,962 for the years ended September 30, 2003 and 2002. This was paid to the respective retirement systems which are responsible for administering the plan.

NOTE 5 - BOARD OF COMMISSIONERS

The Board of Commissioners consists of four members, two each appointed by the Town and the District. According to the terms of the agreement, any compensation or expense reimbursement is to be paid by the Town and the District. For the years ended September 30, 2003 and 2002, no payments were made by Benwick-Bayou Vista Joint Waterworks Commission to the Board of Commissioners.

NOTE 6 - TOTAL DUE TO AND FROM PARTICIPANTS

Due from other governmental units consist of unrestricted and restricted receivables as follows:

	<u>September 30, 2003</u>	
	<u>Due from</u>	<u>Due to</u>
Town of Benwick	\$ 22,512	\$ 12,290
St. Mary Waterworks District No. 2	24,230	9,750
	-----	-----
Totals	\$ 46,742	\$ 22,040
	-----	-----
	<u>September 30, 2002</u>	
	<u>Due from</u>	<u>Due to</u>
Town of Benwick	\$ 20,900	\$ 12,290
St. Mary Waterworks District No. 2	19,014	9,750
	-----	-----
Totals	\$ 39,914	\$ 22,040
	-----	-----

NOTE 7 - RESTRICTED ASSETS

These funds are set aside for major repairs and capital outlays. Any repairs or capital outlays in excess of \$1,000 are to be paid with these funds. The Commission obtains these funds from the Town and the District by charging a fee of 18 cents per 1,000 gallons of water consumed, until \$200,000 has been accumulated to meet emergency repairs or capital outlay needs.

NOTE 8 - RETAINED EARNINGS - RESERVED

The Commission's regulations indicate that a portion of the fund equity can only be used for certain future uses. At the statement date, these funds can only be used for future repairs and capital outlay that exceed \$1,000. Current regulations allow up to \$200,000 of reserved retained earnings to be accumulated for these emergency repairs or capital outlay needs.

NOTE 9 - REPAIR AND REPLACEMENT FEE

This is the source of funding for major repairs and capital outlay equipment that exceed \$1,000. This fee is charged to the participants based on their water usage and is based on a rate of 18 cents per thousand gallons.

BERWICK - VISTA JOINT WATERWORKS COMMISSION

SCHEDULE OF INSURANCE IN FORCE

For the Year Ended September 30, 2003

(Unaudited)

Insurer	Type of Coverage	Amt. of Coverage	Exp. Date
LA Workers' Comp. Corp.	Workers' Compensation		Paid
	By Accident	\$ 100,000	Quarterly
	Aggregate	\$ 500,000	
Each Employee	\$ 100,000		
American Alternative Ins.	General Liability		
	Bodily Injury:		
	Each Occurrence	\$ 1,000,000	6/16/2004
	Aggregate	\$ 3,000,000	
American Alternative Ins.	Auto Liability		
	Each Accident	\$ 100,000	6/16/2004
American Alternative Ins.	Professional Liability		6/16/2004
	Each Occurrence	\$ 1,000,000	
	Aggregate	\$ 3,000,000	
Allstate	Property		10/1/2003
	Plant	\$ 3,870,580	
	Personal Property	\$ 607,162	

BERWICK - BAYDU VISTA JOINT WATERWORKS COMMISSION

SCHEDULE OF INSURANCE IN FORCE
 For the Year Ended September 30, 2002
 (Unaudited)

<u>Insurer</u>	<u>Type of Coverage</u>	<u>Amt. of Coverage</u>	<u>Exp. Date</u>
LA Workers' Comp. Corp.	Workers' Compensation		Paid Quarterly
	By Accident	\$ 100,000	
	Aggregate	\$ 500,000	
	Each Employee	\$ 100,000	
Hannover	General Liability		5/18/2003
	Bodily Injury:		
	Each Occurrence	\$ 1,000,000	
	Aggregate	\$ 2,000,000	
	Fire Damage:		
	Any One Fire	\$ 500,000	
Hannover	Auto Liability		5/18/2003
	Aggregate	\$ 1,000,000	
Allstate	Property		10/1/2002
	Plant	\$ 1,145,000	
	Personal Property	\$ 548,450	

**BERWICK - BAYOU VISTA JOINT WATERWORKS COMMISSION
INTERNAL SERVICE FUND**

SUMMARY OF CHARGES FOR THE PAST TWENTY-SEVEN REPORTING PERIODS

Ended June 30,	Berwick		Bayou Vista		Cents Per 1,000 Gallons
	Gallons	\$	Gallons	\$	
78	293,288,420	68,225	179,398,000	48,477	26.05
79	275,828,584	75,360	185,855,480	50,980	27.35
80	311,008,835	84,068	224,803,420	60,751	27.04
81	294,186,877	90,578	212,701,204	65,454	30.78
82	298,637,080	111,504	185,831,008	73,292	37.37
83	272,023,000	106,838	212,880,000	63,887	39.29
84	283,268,000	114,403	218,422,000	67,876	40.31
85	280,762,000	124,353	215,907,000	65,852	44.34
86	258,326,000	116,925	204,480,000	53,120	45.30
Ended Sept. 30,					
* 80	56,945,000	25,864	48,289,000	22,284	48.14
87	225,179,000	114,717	181,487,000	62,082	50.85
88	264,890,000	136,409	187,218,000	68,024	53.25
89	238,482,000	142,833	178,488,000	708,091	61.85
90	253,420,000	151,899	184,384,000	110,022	58.84
91	252,589,000	160,870	185,931,000	123,068	63.13
92	274,816,000	183,554	189,386,000	111,458	58.34
93	281,222,000	188,380	171,668,000	110,315	64.61
94	268,149,000	182,384	175,131,000	111,204	63.43
95	266,287,000	173,234	183,938,000	131,688	67.88
96	208,786,000	188,838	178,928,000	126,108	70.65
97	271,489,000	177,084	189,729,000	123,528	65.19
98	260,745,000	178,985	190,298,000	125,610	65.78
99	368,180,000	173,600	190,579,000	120,289	64.08
00	388,728,000	207,978	188,838,000	150,848	73.88
01	315,044,990	219,381	200,455,000	138,941	69.70
02	295,017,000	234,652	234,802,000	182,178	74.79
03	305,574,000	228,667	228,397,000	200,346	80.69

* These Month Period

BERWICK - BAYDU VISTA JOINT WATERWORKS COMMISSION

SCHEDULE OF CERTIFICATES OF DEPOSIT
 For the Years Ended September 30, 2003 and 2002

September 30, 2003

<u>Security</u>	<u>Maturity</u>	<u>Rate</u>	<u>Value</u>
Certificate of Deposit - Mid South Bank	4/5/2004	1.25%	\$ 27,871
Total Certificate of Deposit			<u>\$ 27,871</u>

September 30, 2002

<u>Security</u>	<u>Maturity</u>	<u>Rate</u>	<u>Value</u>
Certificate of Deposit - Mid South Bank	4/5/2003	1.80%	\$ 27,488
Total Certificate of Deposit			<u>\$ 27,488</u>

BERNICK - BAYOU VISTA JOINT WATERWORKS COMMISSION
IN THE
PARISH OF ST. MARY
STATE OF LOUISIANA

REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

YEARS ENDED SEPTEMBER 30, 2003 AND 2002

ADAMS & JOHNSON

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CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Berwick - Bayou Vista Joint Waterworks Commission
P.O. Box 322
Berwick, Louisiana 70342

We have audited the basic financial statements of the Berwick - Bayou Vista Joint Waterworks Commission for the years ended September 30, 2000 and 2002, and have issued our report thereon dated December 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Berwick - Bayou Vista Joint Waterworks Commission's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Berwick - Bayou Vista Joint Waterworks Commission's internal control over financial reporting in order to determine our auditing procedures for the purposes of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving internal control over financial reporting and its operation that we consider to be reportable conditions.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect Berwick – Bayou Vista Joint Waterworks Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. The reportable condition is described in the accompanying schedule of findings and questioned cost as Item 00-1.

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

Our consideration of the internal control over financial reporting 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 Item 00-1 to be a material weakness.

This report is intended solely for the use of management, the participants, and the Louisiana Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Berwick – Bayou Vista Joint Waterworks Commission is a matter of public record.



ADAMS & JOHNSON
Certified Public Accountants

Patterson, Louisiana
December 9, 2003

BENRICK – BAYOU VISTA JOINT WATERWORKS COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2003

A. Summary of Audit Results:

1. The auditors' report expresses an unqualified opinion on the financial statements of Benrick – Bayou Vista Joint Waterworks Commission.
2. No instances of noncompliance material to the financial statements of Benrick – Bayou Vista Joint Waterworks Commission, which would be reported in accordance with Government Auditing Standards, were disclosed during the audit.
3. One reportable condition in internal control, which is a material weakness see finding item 03-01.

B. Findings:

03-01 Findings: Lack of segregation of duties.

Cause: Our examination disclosed that there is not any segregation of duties within the Commission's accounting function, (especially in the areas of cash receipts, bank reconciliations, cash disbursements, general ledger, and journal entries). This weakness is due to the fact that the Commission sub-contracts out this bookkeeping function to an accountant. Due to the lack of segregation of duties, possible errors or irregularities could occur in the accounting records and not be detected. Understandably, since the Commission doesn't have any employees hired to handle the accounting function and they sub-contract this service out, the most ideal system of internal control or the most desirable accounting system may not be practicable. Also the cost of hiring employees to handle the accounting function might exceed any benefits gained. The management of the Commission is well aware of the loss of internal control that results with their sub-contracting of the accounting functions and are constantly on watch for any problems that would occur.

Recommendation: Based upon the cost-benefit of hiring accounting personnel, it may not be feasible to achieve complete segregation of duties. We recommend that management continue to closely monitor all records and transactions.

Response: Management concurs with recommendations.

BERWICK – BAYOU VISTA JOINT WATERWORKS COMMISSION

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended September 30, 2002

A. Summary of Prior Findings:

Finding: Lack of segregation of duties.

Status: This finding still exist see 03-01 on the schedule of the current year findings and questioned cost.