

relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion in the component unit financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the component unit 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Waterworks District No. 3 of Wards 6 and 4, Calcasieu Parish, Louisiana, management, and the legislative Auditor of the state of Louisiana. However, this report is a matter of public record and its distribution is not limited.

By Matthew and W. J. Jones, CPAs
February 7, 1987

McMillen and McMillen

Chartered Public Accountants, L.L.P.

5115 South Lakeshore Drive

Metairie, Louisiana 70002

1000 Chalmette Drive

Metairie, Louisiana 70002

Metairie, Louisiana 70002

By: _____

Board of Trustees
Waterworks District No. 7 of Wards 6 and 4
Calcasieu Parish, Louisiana

We have audited the accompanying component unit financial statements of the Waterworks District No. 7 of Wards 6 and 4, Calcasieu Parish, Louisiana, a component unit of the Calcasieu Parish Police Jury, for the year ended September 30, 1998, and have issued our report thereon dated February 7, 1999.

We conducted our audit in accordance with generally accepted auditing standards and Governmental Auditing Standards, issued by the Comptroller General of the United States. These standards and GAO Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Waterworks District No. 7 of Wards 6 and 4, Calcasieu Parish, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the component unit financial statements of Waterworks District No. 7 of Wards 6 and 4, Calcasieu Parish, Louisiana for the year ended September 30, 1998, we obtained an understanding of the internal control structure. With respect to the internal control, we obtained an understanding of the design of

Date:

Chartered Public Accountants, L.L.P.

Chartered Public Accountants, L.L.P.

INDEPENDENT AUDITORS' REPORT
ON INTERNAL STRUCTURES
(Based solely on an audit of the component unit
financial statements performed in accordance
with Government Auditing Standards)

WATERBORN DISTRICT NO. 7 OF WARD 6 AND 4
CALCASIEU PARISH, LOUISIANA, A COMPONENT UNIT OF
THE CALCASIEU PARISH POLICE JURY

September 30, 1998

Waterworks District No. 7 of Wards 2 and 4
Calcasieu Parish, Louisiana, a component unit of
the Calcasieu Parish Police Jury

STATEMENT OF FINDINGS AND RECOMMENDATIONS
for the year ended September 30, 1961

Findings: There were no findings in the year.

McMullen and Monahan

Certified Public Accountants, LLP

1500 South Main Street
Baton Rouge, Louisiana 70801

Waterworks District No. 7
Calcasieu Parish, Louisiana
February 7, 1997

Board of Trustees
Waterworks District No. 7 of Wards 6 and 4
Calcasieu Parish, Louisiana

We have audited the accompanying component unit financial statements of the Waterworks District No. 7 of Wards 6 and 4, Calcasieu Parish, Louisiana, a component unit of the Calcasieu Parish Police Jury, for the year ended September 30, 1996 and have issued our report thereon dated February 7, 1997.

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

Compliance with laws, regulations, contracts, and grants applicable to the Waterworks District No. 7 of Wards 6 and 4, Calcasieu Parish, Louisiana, is the responsibility of the Waterworks District No. 7 of Wards 6 and 4, Calcasieu Parish, Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Waterworks District No. 7 of Wards 6 and 4, Calcasieu Parish, Louisiana's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

This report is intended for the information of the Waterworks District No. 7 of Wards 6 and 4, Calcasieu Parish, Louisiana, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

McMullen and Monahan, LLP
February 7, 1997

INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE

(Based on an audit of the component unit financial statements
performed in accordance with Government Auditing Standards)

WATERWORKS DISTRICT NO. 7 OF PARISH 6 AND 4
CALCASIEU PARISH, LOUISIANA, A COMPONENT UNIT OF
THE CALCASIEU PARISH POLICE JURY

September 30, 1986

Metairie District No. 7 of Ward 6 and 4
Calcasieu Parish, Louisiana, a component unit of
The Calcasieu Parish Police Jury

SCHEDULE OF OPERATING EXPENSES
SECURITYWAY FUND TYPE

Year ended September 30, 1990

Amortization	\$	5,317
Advertising		335
Board per diem		3,400
Bank charges		2,340
chemicals		9,883
contract labor		350
depreciation		87,688
Books and subscriptions		840
Fiscal agent charges		2,850
Fuel		4,820
Insurance		16,314
Miscellaneous		2,776
Office expense		2,588
Payroll taxes and retirement		8,186
Permits and licenses		224
Postage		2,855
Professional services		4,018
Professional development		745
Rent		250
Repairs and maintenance		7,140
Salaries		60,300
Supplies		15,792
Telephone		2,642
Travel and meals		320
Uniforms		1,095
Utilities		20,000

Total	\$	399,392

The Mullens and Manaway Co.
Certified Public Accountants, P.C.

March 28, 1967, C 191

March 28, 1967, C 191

2010 Maplewood Drive

Shreveport, Louisiana 71201

Telephone (504) 835-1001

Telex 910907-1000

Board of Trustees
Waterworks District No. 7 of Ward 4
Caldcasien Parish, Louisiana

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole of the Waterworks District No. 7 of Ward 4 and 5, Calcasien Parish, Louisiana, a component unit of the Calcasien Parish Police Jury, for the year ended September 30, 1966, which is presented in the preceding section of this report. The supplemental information presented hereinafter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the component unit financial statements, and in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

The Mullens and Manaway Co.

February 7, 1967

Shreveport

Members of the Institute of Certified Public Accountants

Member of the Society of Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTAL INFORMATION

METROPOLITAN DISTRICT NO. 7 OF PARISH 6 AND 4
CALCASIEU PARISH, LOUISIANA, A COMPONENT UNIT OF
THE CALCASIEU PARISH POLICE JURY

September 10, 1956

Waterworks District No. 7 of Ward 6
Calcasieu Parish, Louisiana, a component unit of
the Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 1996

NOTE L - CONSTRUCTION IN PROGRESS

In June, 1996, the Waterworks District entered into a contract for the construction of a new gravel packed water production well. The project is expected to cost \$132,000 in total and expenditures should begin in the next fiscal year.

NOTE M - PERPETUAL SERVITUDE

In June, 1995, the Waterworks District entered into a perpetual servitude agreement for the right to drill and maintain water wells, construct and maintain water lines, and to perform such other tasks as may be reasonably related to the operation and maintenance of water wells on the property located next to the Waterworks District main office. The total cost of the agreement was \$6,800.

NOTE N - LEASE PAYABLE

In September, 1996, the Waterworks District entered into an agreement to purchase a trencher at a cost of \$24,000 within one year. The District made the first of six monthly payments of \$4,000 upon delivery of the equipment. A final payment of \$4,000 is required at the end of the agreement when the District exercises their purchase option.

Waterworks District No. 7 of Ward 6
Calcasieu Parish, Louisiana, a component unit of
the Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 1996

NOTE H - RETIREMENT SYSTEM (CONTINUED)
EMPLOYEE CONTRIBUTIONS:

Employee contributions are actuarially determined every fiscal year according to a statutory process. Written notice of these rates is provided to employers annually. In 1995, these employer rates were 8.5% for Plan A and 3.00% for Plan B. In 1996, the employer rates decreased to 7.25% for Plan A and 1.9% for Plan B. The District contributed \$6,340 on behalf of its employees for the year ended September 30, 1996.

NOTE I - COMPENSATED ABSENCES

The District does not accrue compensated absences as they do not have a formal policy regarding compensated absences. Terminated employees do not receive compensation for unused time.

NOTE J - CASH AND CASH EQUIVALENT

For purposes of the statement of cash flows, the Waterworks District considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

NOTE K - MANAGEMENT ESTIMATES

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

Waterworks District No. 7 of Ward 4
Calcasieu Parish, Louisiana, a component unit of
the Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 1996

NOTE 11 - RETIREMENT STATUS (CONTINUED)

Upon the effective date of the commencement of participation in the plan, membership in the system shall terminate. Employer contributions shall continue to be payable by the employer during the person's participation in the plan, but payments of employee contributions shall cease upon the effective date of the person's commencement of participation in the plan.

The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, shall be paid into the Deferred Retirement Option Plan Fund, which shall not earn interest.

Upon termination of employment at the end of the specified period of participation, a participant in the plan shall receive, at his option, a lump sum payment from the Deferred Retirement Option Plan Fund equal to the payments made to that fund on his behalf, a true annuity based upon his account in that fund, or any other method of payment approved by the Board of Trustees.

CONTRIBUTIONS

The actuarially required employer contribution for Plan A was determined by adding to the normal cost an amortization payment on the unfunded accrued liability which was based on a 40 year annuity with payments increasing at 4% per year. This payment method conforms to legislation passed during 1988 by the Louisiana Legislature.

Member Contributions:

Member contributions, established by Statute at 9.50% of total compensation for Plan A and at 2.8% of total compensation for Plan B, are deducted from the member's salary. Employees contributed \$1,358 in the year ended September 30, 1996.

Waterworks District No. 3 of Ward 5
Calcasieu Parish, Louisiana, a component unit of
The Calcasieu Parish Police Jury

NOTICE TO FINANCIAL STATEMENTS - CONTINUED
September 30, 1986

NOTE II - RETIREMENT SYSTEM (CONTINUED)

The retirement allowance is equal to three percent of the member's final average compensation (defined as the average of the highest consecutive 36 months) multiplied by his years of creditable service; however, any employee who was a member of the supplemental plan only prior to the revision date has the benefit earned for service credited prior to the revision date on the basis of one percent of final compensation plus two dollars per month for each year credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. The retirement allowance may not exceed the greater of one hundred percent of a member's final salary (last 12 months) or the final average compensation.

A member is eligible to retire and receive disability benefits if he has at least 5 years of creditable service, is not eligible for normal retirement and suffers disability which has been certified by the State Medical Disability Board. The rate is 3% of the member's final compensation multiplied by his years of creditable service under certain conditions outlined in the statutes.

Upon death of a member with 5 or more years of creditable service, the Plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 50% to 80% of the member's final compensation.

Deferred Retirement Option

In lieu of terminating employment and accepting a service retirement allowance, any member who has been an active contributing member for one full year after becoming eligible for a normal retirement allowance may elect to participate in the Deferred Retirement Option Plan, and defer the receipt of benefits.

The duration of participation in the plan shall be specified and shall not exceed two years.

Waterworks District No. 7 of Ward 6
Caldwell Parish, Louisiana, a component unit of
the Caldwell Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 1994

NOTE G - FLOW OF FUNDS; RESTRICTIONS ON USE - UTILITIES REVENUE
(CONTINUED)

The balance of the excess funds on deposit in the Water Revenue Fund, after the transfer of required amount into the above noted funds, may be used for the purpose of calling and/or paying bonds or for any other lawful corporate purpose.

NOTE H - RETIREMENT SYSTEM

Full-time employees are members of the Parochial employees' Retirement System of Louisiana, a Public Employee Retirement System (PERS), which is the administrator of a cost sharing multiple-employer plan.

Current year payroll was \$80,388, all of which was covered by the Plan.

Any person who is a permanent employee and works at least 28 hours a week and whose compensation is paid wholly or partly by a covered employer is covered by this system.

PLAN BENEFITS

Plan & Fund Benefits:

Any member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55 or 15 years of creditable service and is at least age 60.

Waterworks District No. 7 of Ward 4
Calcasieu Parish, Louisiana, a component unit of
the Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 1996

NOTE C - FLOW OF FUNDS; RESTRICTIONS ON USE - UTILITIES REVENUE
(CONTINUED)

The payment of all reasonable and necessary expenses of administration, operation and maintenance of the system.

The establishment and maintenance of a Water Revenue Bond and Interest Sinking Fund by transferring from the Operating Account each month an amount constituting 1/12 of the next watering installment including interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

The establishment and maintenance of a Water Reserve Fund by transferring from the Operating Account each month an amount at least equal to 5.0% of the amount to be paid into the Sinking Fund described above until there shall have been accumulated in the Reserve account an amount equal to the maximum principal and interest requirements in any one maturity year. The money in said account is to be retained solely for the purpose of paying the principal of and interest on bonds payable from the Sinking Fund as to which there would otherwise be default.

The establishment and maintenance of a Water Depreciation and Contingency Fund by transferring from the Operating Account the sum of \$175 each month to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the system. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time if there is not sufficient money for payment in the other bond funds.

Waterworks District No. 7 of Wards 6 and 4
 Calcasieu Parish, Louisiana, a component unit of
 the Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
 September 30, 1996

NOTE E - CASH AND INVESTMENTS

At September 30, 1996 the book balance of the District's deposits was \$670,725 and the bank balance was \$562,782.

	Carrying Amount	Bank Balance
Insured (FDIC):		
CD	\$6,568	\$6,568
IRA	320,323	319,344
Uninsured:		
Collateral held by pledging bank's trust department in District's name	243,874	246,102
Totals	\$670,725	\$562,782

NOTE F - AD VALOREM TAXES

For the year ended September 30, 1996 taxes of 12.00 mills were levied on all the taxable property in Waterworks District No. 7 of Wards 6 and 4, Calcasieu Parish, Louisiana, and dedicated for maintenance and operational purposes.

NOTE G - FLOW OF FUNDS; RESTRICTIONS ON USE - UTILITIES REVENUES

Under the terms of the bond resolution on outstanding Water Revenue Bonds dated November 21, 1981, all income and revenues of every nature, earned or derived from operation of the waterworks system are pledged and dedicated to the retirement of said bonds, subject only to the prior payment of the reasonable and necessary expenses of operating and maintaining the system. Such revenues is to be deposited into a separate and special bank account to be administered in the following order of priority and for the following purposes:

Waterworks District No. 7 of Ward 6
Caldesia Parish, Louisiana, a component unit of
the Caldesia Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 1996

Debt payable consists of the following at September 30, 1996:

Revenue Bonds:

\$1,885,000 Water Revenue Bonds,
dated November 1, 1991, due in
annual principal installments of
\$80,000 - \$85,000 through
November 1, 2016, plus interest
currently at 6.1% and varying to 7% \$ 1,885,000

General Obligation Bonds:

\$277,000 Waterworks System Bonds,
dated November 1, 1991; due in
annual principal installments
of \$8000 - \$22,000 through
May 1, 2017, plus interest
currently at 6.1% and varying to 7%
(this issue secured by levy and
collection of ad valorem taxes) 277,000

Less current maturities

1,287,000
11,000

\$ 1,336,000

The annual requirements to amortize all debt outstanding as of September 30, 1996 are as follows:

Year Ending September 30,	Revenue Bonds		Obligation Bonds	
	Principal	Interest	Principal	Interest
1997	25,000	60,803	4,000	17,504
1998	25,000	67,216	4,000	17,108
1999	25,000	68,585	7,000	14,713
2000	30,000	63,750	7,000	14,250
2001	30,000	61,770	8,000	15,380
Thereafter	870,000	531,840	118,000	144,410
	<hr/> 1,885,000	<hr/> 898,843	<hr/> 252,000	<hr/> 227,172

Waterworks District No. 7 of Ward 6 and 4
Caldwell Parish, Louisiana, a component unit of
the Caldwell Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 1996

NOTE C - CONTRIBUTED CAPITAL (continued)

Grants included in contributed capital at September 30, 1996 are as follows:

Agency	Project Number	Award Amount Received
U.S. Department of Agriculture Farmer's Home Administration	507-10-01	\$725,000
State of Louisiana Department of Transportation and Development	507-10-02	\$200,000
State of Louisiana Department of Transportation and Development	507-10-03	\$150,000
Total		\$1,075,000

NOTE D - LONG-TERM LIABILITIES

The following is a summary of bond transactions of the Waterworks District for the year ended September 30, 1996:

	Revenue Bonds	General Obligation Bonds
Outstanding at September 30, 1995	\$1,025,000	\$258,000
Issued in year	--	
Redeemed in year	20,000	0,000
Outstanding at September 30, 1996	\$1,005,000	\$258,000

Waterworks District No. 7 of Wards 6 and 4
Columbia Parish, Louisiana, a component unit of
The Columbia Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 1986

NOTE B - RESTRICTED ASSETS (continued)

The Revenue Bond Resolution contains certain restrictive covenants which, among other things, require the establishment and maintenance of a "Water Revenue Bond and Interest Sinking Fund" (the "Sinking Fund") to ensure the prompt payment of principal and interest installments as they become due. The Resolution requires that a sum equal to one-twelfth of the total amount of principal and interest falling due in the ensuing year be restricted on a monthly basis. The Resolution also requires that five percent of the amount to be paid into the "Sinking Fund" for the month be restricted until such time that the accumulated balance is equal to the highest combined principal and interest falling due in any year. An amount of \$573.00 is required to be deposited monthly into the "Depreciation Fund" to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the system.

In prior years, tax was levied, assessed and imposed on all the taxable property in Waterworks District No. 7 of Wards 6 and 4, Columbia Parish, Louisiana, for the purpose of paying the principal and interest on the General Obligation Bonds. Tax revenues received that were dedicated for such purpose are required to be restricted.

Louisiana Revised Statutes require that at least ten percent of the total amount of customer deposits be maintained in a cash reserve fund.

NOTE C - CONTRIBUTED CAPITAL

Contributed capital at September 30, 1986 consists of grants received in 1984, 1985, and 1986 which were restricted by the grantors to be used for construction of and improvements to the waterworks system. Contributed capital has been reduced in each year by the amount of \$37,888 of amortization recognized on assets constructed through such resources. At September 30, 1986 the unamortized amount of contributed capital was \$783,830.

Waterworks District No. 7 of Wards 4 and 4
Catahoula Parish, Louisiana, a component unit of
the Catahoula Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 1966

4. BUDGETS AND BUDGETARY ACCOUNTING

The District adopts a budget annually for operating expenses. The budget is adopted under a basis consistent with GAAP, except that depreciation, certain capital expenses, revenues, nonoperating income and certain nonoperating expense items are not considered. The budget for the district is not presented in these statements.

NOTE B - RESTRICTED ASSETS

Restricted assets were applicable to the following at September 30:

		1966
Water Depreciation and Contingency Fund	\$	53,512
Water Reserve Fund		75,353
Water Revenue Bond and Interest Sinking Fund		75,028
General Obligation Bond and Interest Sinking Fund		88,400
Customer Deposits Fund		6,588
Cash with Fiscal Agent		8,232
	\$	337,333

Waterworks District No. 7 of Wards 6 and 4
Calcasieu Parish, Louisiana, a component unit of
the Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS - CONTINUED
September 30, 1994

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. PROPERTY, PLANT and Equipment - Continued

Depreciation is provided in this enterprise fund in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives range from 5 to 40 years.

Depreciation expense for the year ended September 30, 1994 was \$87,489.

Additions to property, plant, and equipment for the year ended September 30, 1994 were as follows:

	Beginning of Year	Additions	Deletions	End of Year
Water plant	\$ 2,888,410	2,846	--	\$ 2,891,256
Construction in progress	--	--	--	--
office furniture & equipment	8,278	48	--	8,326
Meters and equipment	181,400	45,132	--	226,532
Totals	\$ 3,078,088	\$48,126	--	\$3,097,214

3. Basis of Accounting

The accrual basis of accounting is used by the Waterworks District with revenues being recognized when earned and expenses being recognized when incurred. Unbilled utility service receivables are recorded at year end.

Waterworks District No. 3 of Wards 6 and 4
Calcasieu Parish, Louisiana, a component unit of
the Calcasieu Parish Police Jury

NOTES TO FINANCIAL STATEMENTS
September 30, 1994

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Waterworks District No. 3 of Wards 6 and 4 was created by the Calcasieu Parish Police Jury, as authorized by Louisiana Revised Statute 33:1611. The Waterworks District is governed by a five-member board of commissioners who are appointed by the police jury and are responsible for providing water service to users within the boundaries of the district.

In conformance with the National Council on Governmental Accounting, Statement 3, Waterworks District No. 3 of Wards 6 and 4 is a component unit of the Calcasieu Parish Police Jury, the governing body of the parish. The accompanying financial statements present information only on the fund maintained by Waterworks District No. 3 of Wards 6 and 4 and do not present information on the Calcasieu Parish Police Jury and the general government services provided by that governmental unit.

1. Fund Accounting

Waterworks District No. 3 of Wards 6 and 4 is organized and operated as an Enterprise Fund whereby a self-balancing set of accounts is maintained that comprise its assets, liabilities, fund equity, revenues and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges and ad valorem taxes.

2. Property, Plant and Equipment

The accounting and reporting treatment applied to property, plant and equipment and long-term liabilities associated with a fund are determined by its measurement focus. Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

Waterworks District No. 7 of Wards 5 and 4
 Calcasieu Parish, Louisiana, a component unit of
 the Calcasieu Parish Police Jury

STATEMENT OF CASH FLOWS (continued)
 Year ended September 30, 1990
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash flows from investing activities

Interest on investments	\$	8,710	

Net cash provided by investing activities			8,710

Net increase in cash and cash equivalents			104,887

Cash and cash equivalents beginning of year			466,897

Cash and cash equivalents end of year	\$		570,834

The accompanying notes are an integral part of these statements.

Waterworks District No. 7 of Ward 6 and 4
Calcasieu Parish, Louisiana, a component unit of
the Calcasieu Parish Police Jury

STATEMENT OF CASH FLOWS
Year Ended September 30, 1994
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash flows from operating activities:

Operating income	\$	50,000
Adjustments to reconcile operating income to net cash provided by operating activities:		
Amortization	5,127	
Depreciation	97,099	
Change in assets and liabilities:		
Decrease in accounts receivable	4,559	
Decrease in prepaid expenses	2,967	
Decrease in accounts payable	(4,558)	
Increase in accrued expenses	2,173	
Increase in lease payable	21,000	
Total adjustments		127,927
Net cash provided by operating activities		178,428

Cash flows from non-capital financing activities:

Cash provided from ad valorem taxes	60,680	
Cash provided from other governments	5,345	
Cash provided from non-operating miscellaneous income	1,814	
Cash provided by customer deposits	4,407	
Net cash provided from non-capital financing activities		72,246

Cash flows from capital and related financing activities:

Principal paid on bonds	(20,000)	
Interest paid on bonds	(88,045)	
Cash payments for asset purchase	(48,135)	
Net cash used for capital and related financing activities		\$ (156,179)

The accompanying notes are an integral part of these statements.

Waterworks District No. 7 of Wards 6 and 4
Catahoula Parish, Louisiana, a component unit of the
Catahoula Parish Police Jury

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS, PROPRIETARY FUND TYPE
Year ended September 30, 1994

Operating revenues:		
Water revenue	\$	336,893
Tap fees		11,250
Service charge income		1,800

Total operating revenues		349,943
Operating expenses		(289,392)

Operating income		60,551
Non-operating revenues (expenses):		
Tax revenues (Note F)		66,488
Interest income		6,758
Interest expense		(87,184)
Revenue sharing		8,143
Miscellaneous		1,614

Total non-operating revenues (expenses)		(3,185)

Net income		57,366
Amortization of contributed capital (Note G)		37,650

Increase in retained earnings		74,414
Retained earnings at beginning of year		772,524

Retained earnings at end of year	\$	846,938

The accompanying notes are an integral part of these statements.

Waterworks District No. 7 of Wards 6 and 4
Calcasieu Parish, Louisiana, a component unit of
the Calcasieu Parish Police Jury
BALANCE SHEET (CONTINUED)
PROPRIETARY FUND TYPE
September 30, 1996

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Payable from current assets:

Accounts payable	\$	4,500
Leases payable (Note H)		21,000
Accrued expenses:		
Compensation		7,300
Payroll taxes		5,374
Sales tax		1,178

Payable from restricted assets:

Customer deposits		48,346
Matured interest payable		31,948
Current maturities of bonds payable:		
General obligation bonds payable (Note E)		6,000
Revenue bonds payable (Note G)		25,000

Total Current Liabilities		148,428
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LONG TERM LIABILITIES (notes A2 and H)

General obligation bonds payable (net of current maturities)		246,000
Water revenue bonds payable (net of current maturities)		580,000

Total Long Term Liabilities		1,326,000
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TOTAL LIABILITIES		1,374,428
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FUND EQUITY

Contributed Capital (Note C):		
Capital grants		1,000,000
Less amortization		(298,968)

Total contributed capital		701,032
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Retained Earnings:

Unreserved, undesignated		781,092
Reserved		48,838

Total Retained Earnings		829,930
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TOTAL FUND EQUITY		1,429,942
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TOTAL LIABILITIES AND FUND EQUITY	\$	3,804,371
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The accompanying notes are an integral part of these statements.

Metairie District No. 7 of Wards 2 and 4
Calcasieu Parish, Louisiana, a component unit of
the Calcasieu Parish Police Jury

BALANCE SHEET
PROPRIETARY FUND TYPE
September 30, 1996

ASSETS

CURRENT ASSETS

Cash	\$	297,682
Trade accounts receivable, (net of \$338 allowance for uncollectible accounts)		28,211
Accrued interest income		288
Prepaid insurance		1,204
		<hr style="border-top: 1px dashed black;"/>
Total Current Assets		327,485

RESTRICTED ASSETS (Note B)

Cash		266,704
Certificate of deposit		6,608
		<hr style="border-top: 1px dashed black;"/>
Total Restricted Assets		273,312

PROPERTY, PLANT AND EQUIPMENT (Note A2)

Water plant		2,462,355
Office furniture and equipment		8,219
Meters and equipment		336,833
Less accumulated depreciation		(863,719)
		<hr style="border-top: 1px dashed black;"/>
Net Property, Plant and Equipment		2,244,488

OTHER ASSETS

Prepaid insurance on bonds		44,329
Bond issue costs, net of \$13,326 amortization		58,411
Bond discount, net of \$11,388 amortization		48,806
Perpetual servitude agreements (Note B)		8,800
		<hr style="border-top: 1px dashed black;"/>
Total Other Assets		155,346

		<hr style="border-top: 1px dashed black;"/>
TOTAL ASSETS	\$	<u>3,864,971</u>

The accompanying notes are an integral part of these statements.

McMullen and Manaway

Chartered Public Accountants, INC.

Board of Trustees

Waterworks District No. 7

1000 Maplewood Drive

Shreveport, Louisiana 71201

Telephone (214) 875-1000

Telex (214) 875-1000

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Waterworks District No. 7 of Wards 3 and 4,
Calcasieu Parish, Louisiana

We have audited the accompanying component unit financial statements of the Waterworks District No. 7 of Wards 3 and 4, Calcasieu Parish, Louisiana, a component unit of the Calcasieu Parish Police Jury as of and for the year ended September 30, 1992. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards: Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office. 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 component unit financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Waterworks District No. 7 of Wards 3 and 4, Calcasieu Parish, Louisiana, a component unit of the Calcasieu Parish Police Jury, as of September 30, 1992, and the results of its operations and the changes in financial position for the year then ended in conformity with generally accepted accounting principles.

McMullen and Manaway, Inc.

February 7, 1992

McMullen

Chartered Public Accountants, Inc.

Shreveport, Louisiana

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**COMPONENT UNIT FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

**WATERWORKS DISTRICT NO. 7 OF PARISH 4 AND 4
CALCASCAS PARISH, LOUISIANA**

September 30, 1996

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the audited, or reviewed, entities and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4-2-97