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PARISH OF IBERVILLE, LOUISIANA  
WATERWORKS DISTRICT NO. 4

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 1999

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

Release Date 2-23-00

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WATERWORKS DISTRICT NO. 4  
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SEPTEMBER 30, 1999**

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Terrell D. Martin, CPA

Board of Waterworks Commissioners of the  
Parish of Iberville, Louisiana - Waterworks District No. 4

### INDEPENDENT AUDITORS' REPORT

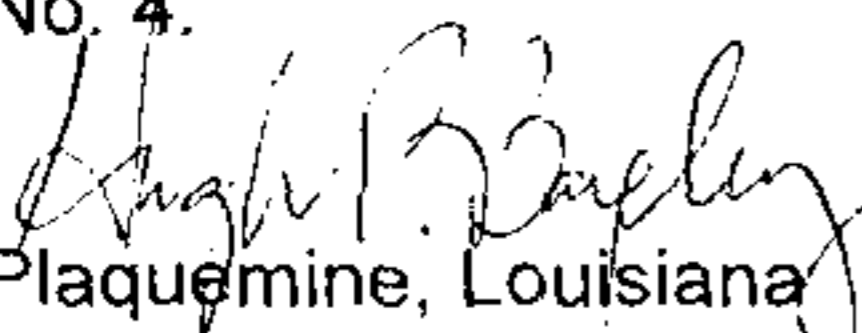
We have audited the accompanying general purpose financial statements of the Parish of Iberville, Louisiana -- Waterworks District No. 4, a component unit of the Iberville Parish Council, as of and for the year ended September 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Parish of Iberville, Louisiana -- Waterworks District No. 4, as of September 30, 1999 and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedules, and statistical data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Parish of Iberville, Louisiana -- Waterworks District No. 4. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements; and, in our opinion, the information is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Parish of Iberville, Louisiana -- Waterworks District No. 4.

  
Plaquemine, Louisiana  
December 30, 1999



HUGH F. BAXLEY, CPA  
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Margaret A. Pritchard, CPA  
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Waterworks Commissioners of the  
Parish of Iberville, Louisiana --  
Waterworks District No. 4

We have audited the financial statements of the Parish of Iberville, Louisiana - Waterworks District No. 4, a component unit of Iberville Parish Council as of and for the year ended September 30, 1999, and have issued our report thereon dated December 30, 1999. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

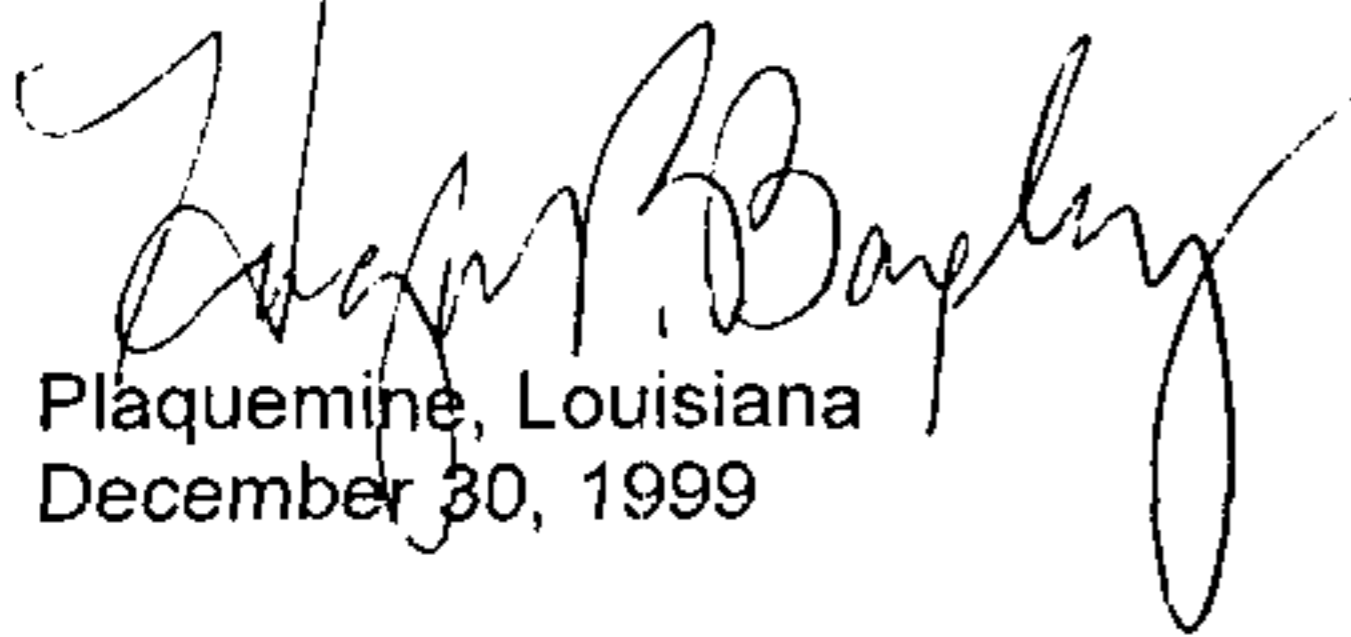
As part of obtaining reasonable assurance about whether the Parish of Iberville, Louisiana - Waterworks District No. 4's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with 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 an 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 Parish of Iberville, Louisiana - Waterworks District No. 4's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

This report is intended for the information of the audit committee, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Robert Baylery  
Plaquemine, Louisiana  
December 30, 1999

## FINANCIAL STATEMENTS

**PARISH OF IBERVILLE, LOUISIANA--WATERWORKS DISTRICT NO. 4**  
**BALANCE SHEET--ASSETS**  
**SEPTEMBER 30, 1999**  
**WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998**

	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$188,236	\$277,824
Accounts receivable:		
Water service--customers	7,781	7,697
(less allowance for doubtful accounts of \$493)		
Other receivables	6,049	2,919
Prepaid insurance	787	644
<b>Total Current Assets</b>	<u><b>202,853</b></u>	<u><b>289,084</b></u>
<b>Restricted Assets</b>		
Reserve fund--cash	30,587	28,040
Depreciation and contingency fund--cash	32,315	29,472
Bond fund--cash	75,878	74,197
<b>Total Restricted Assets</b>	<u><b>138,780</b></u>	<u><b>131,709</b></u>
<b>Plant</b>		
Building	12,617	12,617
Furniture and fixtures	646	646
Water distribution system	929,178	888,891
Wells, tanks and equipment	1,320,094	1,300,483
Construction in progress	76,007	-
	<u>2,338,542</u>	<u>2,202,637</u>
Less allowance for depreciation	475,903	428,092
<b>Total Plant</b>	<u><b>1,862,639</b></u>	<u><b>1,774,545</b></u>
<b>TOTAL ASSETS</b>	<u><b>\$2,204,272</b></u>	<u><b>\$2,195,338</b></u>

*The accompanying notes are an integral part of this statement.*

**PARISH OF IBERVILLE, LOUISIANA--WATERWORKS DISTRICT NO. 4**  
**BALANCE SHEET--LIABILITIES AND FUND EQUITY**  
**SEPTEMBER 30, 1999**  
**WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 1998**

	1999	1998
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Current Liabilities</b>		
Payable from current assets:		
Accounts payable	\$6,994	\$4,442
Sales tax payable	273	248
	7,267	4,690
Payable from restricted assets:		
Accrued interest payable	10,190	10,373
Current portion of revenue bond	8,198	7,650
	18,338	18,023
<b>Total Current Liabilities</b>	<b>25,655</b>	<b>22,713</b>
<b>Long-Term Liabilities</b>		
Waterworks revenue bonds (net of current maturities)	523,464	533,538
Customer deposits	10,687	9,900
<b>Total Long-Term Liabilities</b>	<b>534,151</b>	<b>543,438</b>
<b>TOTAL LIABILITIES</b>	<b>559,806</b>	<b>566,151</b>
<b>Fund Equity</b>		
Contributed capital:		
Parish	603,724	603,724
State	214,000	214,000
Customers	36,915	32,415
FHA	702,000	702,000
<b>Total contributed capital</b>	<b>1,556,639</b>	<b>1,552,139</b>
Retained earnings:		
Reserved for Debt Retirement	120,392	113,686
Unreserved	(32,565)	(36,638)
<b>Total retained earnings</b>	<b>87,827</b>	<b>77,048</b>
<b>Total Fund Equity</b>	<b>1,644,466</b>	<b>1,629,187</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$2,204,272</b>	<b>\$2,195,338</b>

The accompanying notes are an integral part of this statement.



**PARISH OF IBERVILLE, LOUISIANA--WATERWORKS DISTRICT NO. 4**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1999**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998**

	1999	1998
<b>OPERATING REVENUES</b>		
Sale of water	\$111,686	\$95,193
Connection and service fees	745	507
	112,431	95,700
<b>OPERATING EXPENSES</b>		
Management fee	35,541	25,566
Depreciation	47,811	45,492
Utilities and telephone	15,262	15,124
Insurance	3,714	4,274
Chlorine	7,565	6,386
Miscellaneous	4,176	1,647
Repairs and maintenance	7,818	8,076
Legal and accounting	11,937	6,230
Board of directors	2,720	2,120
Bad debt	67	278
<b>TOTAL OPERATING EXPENSES</b>	<b>136,611</b>	<b>115,193</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(24,180)</b>	<b>(19,493)</b>
<b>NON-OPERATING INCOME</b>		
Ad valorem taxes	52,885	51,051
Finance charges	703	694
Interest earnings	12,129	11,091
	65,717	62,836
<b>NON-OPERATING EXPENSES</b>		
Interest expense	29,060	32,973
Ad valorem taxes	1,698	1,737
	30,758	34,710
<b>NET INCOME (LOSS)</b>	<b>10,779</b>	<b>8,633</b>
<b>RETAINED EARNINGS, Beginning</b>	<b>77,048</b>	<b>68,415</b>
<b>RETAINED EARNINGS, Ending</b>	<b>\$87,827</b>	<b>\$77,048</b>

The accompanying notes are an integral part of this statement.

**PARISH OF IBERVILLE, LOUISIANA--WATERWORKS DISTRICT NO. 4**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1999**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 1998**

	<b>1999</b>	<b>1998</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	(\$24,180)	(\$19,493)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	47,811	45,492
Provision for uncollectible accounts	67	278
Increase--decrease in assets and liabilities:		
(Increase) decrease in accounts receivable	(151)	(1,120)
(Increase) decrease in other receivables	(3,130)	3,488
(Increase) decrease in prepaid insurance	(143)	(6)
Increase (decrease) in accounts payable	2,552	876
Increase (decrease) in sales tax payable	25	27
Increase (decrease) in customer deposits	787	875
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>23,638</b>	<b>30,417</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Ad valorem taxes--net	51,187	49,314
<b>NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES</b>	<b>51,187</b>	<b>49,314</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(135,905)	(22,012)
Capital contributed by customers	4,500	2,400
Principal paid on revenue bond maturities	(9,526)	(5,687)
Interest paid on revenue bonds	(29,060)	(32,973)
Decrease in accrued interest payable	(183)	(109)
<b>NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(170,174)</b>	<b>(58,381)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest earnings	12,129	11,091
Finance charges	703	694
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>12,832</b>	<b>11,785</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(82,517)</b>	<b>33,135</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>409,533</b>	<b>376,398</b>
<b>CASH AT END OF YEAR</b>	<b>\$327,016</b>	<b>\$409,533</b>

The accompanying notes are an integral part of this statement.

**PARISH OF IBERVILLE, LOUISIANA -- WATERWORKS DISTRICT NO. 4**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 1999**

**NOTE A: SIGNIFICANT ACCOUNTING POLICIES**

The Waterworks District No. 4 of the Parish of Iberville, Louisiana, was created by an ordinance of the Iberville Parish Policy Jury on January 15, 1985. The governing authority of the District consists of five members of a Board of Commissioners appointed to five year terms by the Parish Council.

**Fund structure**

Waterworks District No. 4 of the Parish of Iberville, Louisiana, a component unit of the Parish, is an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Basis of accounting**

The water district utilizes the accrual basis of accounting.

**Principles Determining the Scope of the Reporting Entity**

For financial statement reporting purposes, in conformance with National Council on Governmental Accounting (NCGA) Statement 3, as recognized by the Governmental Accounting Standards Board (GASB) Codification Section 2100, the District includes all funds over which it exercises oversight responsibility. Oversight responsibility is determined on the basis of the following criteria:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

Based on the application of NCGA Statement 3 criteria, the District is determined to be a component unit of the Iberville Parish Council, the oversight unit, to form the financial reporting entity.

**Accounts receivable**

All known accounts considered doubtful of collection have been removed from the carrying value of accounts receivable.

**PARISH OF IBERVILLE, LOUISIANA -- WATERWORKS DISTRICT NO. 4  
NOTES TO FINANCIAL STATEMENTS**

**Property, plant and equipment & depreciation**

Plant is recorded at cost and depreciation is computed on the straight-line method over the estimated useful life of the assets of 7-50 years.

The Parish contributed a completed water well and distribution system to the district in the Rosedale area. This system is recorded at cost (which approximates fair market value) with an offsetting credit to contributed capital.

**Use of 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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE B: CASH**

The District's deposits and investments are stated at cost. For reporting purposes, cash includes cash, demand deposits, and time deposits. Under state law, the District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the Union, or the laws of the United States. Further, the District may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, the District can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law.

The following is a summary of the District's deposits and investments:

**Deposits**

The following is a summary of cash of the District and federal deposit insurance and pledged securities:

	<b>Bank Balances 9/30/99</b>	<b>FDIC Insurance</b>	<b>Balances Uninsured</b>
Cash	\$327,016	\$173,468	\$153,548
Uncollateralized-- Securities pledged and held by custodial banks in the name of fiscal agent banks, at fair market value, at September 30, 1999	-	-	\$363,847
Excess of FDIC insurance and pledged securities over cash at September 30, 1999	-	-	\$210,299

**PARISH OF IBERVILLE, LOUISIANA -- WATERWORKS DISTRICT NO. 4  
NOTES TO FINANCIAL STATEMENTS**

**NOTE B: CASH (continued)**

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial banks to advertise and sell the pledged securities within ten (10) days of being notified that the fiscal agency bank(s) has (have) failed to pay deposited funds upon demand.

For the purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash.

**NOTE C: AD VALOREM TAXES**

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. No accrual is made on the 1998 assessment as the due date and the normal collection period fall after the September 30 fiscal year end.

**NOTE D: PROPERTY, PLANT AND EQUIPMENT**

	<b>Beginning Balance 10/1/98</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance 9/30/99</b>
Building	\$12,617	\$ -	\$ -	\$12,617
Furniture and fixtures	646	-	-	646
Water distribution system	888,891	40,288	-	929,180
Wells, tanks and equipment	1,300,483	19,611	-	1,320,094
Construction in progress	-	76,007	-	76,007
	<b>\$2,202,637</b>	<b>\$100,118</b>	<b>\$ -</b>	<b>\$2,338,543</b>
Accumulated depreciation	<b>\$428,092</b>	<b>\$47,811</b>	<b>\$ -</b>	<b>\$475,903</b>

**NOTE E: FLOW OF FUNDS & RESTRICTIONS ON USE**

Under the terms of the bond indenture on the outstanding Water Utility Revenue Bond dated June 3, 1987, all income and revenues earned from the operations of the system and the net proceeds of the property tax will be pledged and dedicated to the retirement of said bond, and are to be set aside into the "Water System Revenue Fund". Such revenues shall be maintained and administered in the following order of priority and for the following express purpose:

**PARISH OF IBERVILLE, LOUISIANA -- WATERWORKS DISTRICT NO. 4  
NOTES TO FINANCIAL STATEMENTS**

**NOTE E: FLOW OF FUNDS & RESTRICTIONS ON USE (continued)**

1. The payment of all reasonable and necessary expenses of operating and maintaining the System.
2. The establishment and maintenance of a "Waterworks Revenue Bond Interest & Sinking Fund (Revenue Note Fund)", by transferring monthly to the regularly designated fiscal agent an amount equaling to no less than the sum of one twelfth of the total amount of principal and interest falling due on the bond in the ensuing year. These monies shall be utilized to pay the principal and interest due on the bond.
3. The establishment and maintenance of a "Waterworks Reserve Fund" by transferring monthly to the regularly designated fiscal agent an amount equaling to no less than the sum of 5% of the amount deposited into the sinking fund until \$38,768.34 has been accumulated therein. These monies shall be utilized to pay the principal and interest due on the bond in the event the sinking fund is deficient.
4. The establishment and maintenance of a "Waterworks Depreciation & Contingency Fund" by transferring to the regularly designated fiscal agent no less than \$184 per month. These monies shall be utilized to care for depreciation, extension, additions, improvements, and replacements necessary to properly operate the system.
5. Subject to the foregoing, the balance in the "Water System Revenue Fund" may be used for the purpose of acquiring for cancellation the outstanding Water Revenue Bond or for any other lawful purpose.

**NOTE F: CHANGES IN LONG-TERM DEBT**

The following is a summary of debt transactions of the Parish of Iberville, Louisiana Waterworks District No. 4 for the year ended September 30, 1999:

	<b>Revenue bonds (Enterprise Fund)</b>
<b>Balance, October 1, 1998</b>	<b>\$541,188</b>
Principal payments	(9,525)
	<b>\$531,663</b>
<b>Balance, September 30, 1999</b>	<b>\$531,663</b>
Current portion as of September 30, 1999	\$8,198
Long-term portion as of September 30, 1999	523,465
	<b>\$531,663</b>
<b>Total liability as of September 30, 1999</b>	<b>\$531,663</b>

**PARISH OF IBERVILLE, LOUISIANA -- WATERWORKS DISTRICT NO. 4  
NOTES TO FINANCIAL STATEMENTS**

**NOTE F: CHANGES IN LONG-TERM DEBT (continued)**

The U.S. Department of Agriculture, Rural Development - Rural Utilities Service, is the holder of a single, fully registered revenue bond dated June 3, 1987. The bond is without coupons and bears interest at a rate of 5¾ percent per annum. The bond is payable in level annual installments of \$38,768 first applied to interest, the balance applied to principal as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Due June 3</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$8,198	\$30,570	\$38,768
2001	8,669	30,099	38,768
2002	9,168	29,600	38,768
2003	9,695	29,073	38,768
2004	10,252	28,516	38,768
Thereafter	<u>485,681</u>	<u>398,080</u>	<u>883,761</u>
<b>TOTAL</b>	<b><u>\$531,663</u></b>	<b><u>\$545,938</u></b>	<b><u>\$1,077,601</u></b>

The installments of principal on the bond may be prepaid at any time. Each payment shall be applied, first, to the payment of accrued interest and, second, to the payment of principal.

**NOTE G: CONTRIBUTED CAPITAL**

	<u>Contributed Capital</u>			
	<u>Parish</u>	<u>State</u>	<u>Customers</u>	<u>FHA</u>
Beginning balance	\$603,724	\$214,000	\$32,415	\$702,000
Customer service lines	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>-</u>
<b>Ending</b>	<b><u>\$603,724</u></b>	<b><u>\$214,000</u></b>	<b><u>\$36,915</u></b>	<b><u>\$702,000</u></b>

**NOTE H: DEFICIT IN UNRESERVED RETAINED EARNINGS**

At September 30, 1999, a deficit in unreserved retained earnings existed in the amount of \$(34,549). The deficit was caused by a shortfall of revenues in prior years. Although the deficit exists, Retained Earnings Reserved for Debt Retirement and Contributed Capital amounted to \$120,464, and \$1,556,639, respectively, which results in a Total Fund Equity of \$1,642,554.

**PARISH OF IBERVILLE, LOUISIANA -- WATERWORKS DISTRICT NO. 4  
NOTES TO FINANCIAL STATEMENTS**

**NOTE I: YEAR 2000 ISSUES**

All administrative functions of the District are performed by the Iberville Parish Utilities Department for which the District pays a management fee. As of September 30, 1999 the Utilities Department has completed the validation/testing stage of making changes to their system and equipment. Based upon work completed by Strategic Information Systems, Inc., the Utility Department's effort to be Year 2000 compliant is complete.



**ADDITIONAL INFORMATION**

**PARISH OF IBERVILLE, LOUISIANA -- WATERWORKS DISTRICT NO. 4  
 COMMENTS ON OPERATIONS OF WATER UTILITY SYSTEM  
 SEPTEMBER 30, 1999**

**CUSTOMER STATISTICS:**

Customer statistics relative to water billed and number of customers for the year ended September 30, 1999 are as follows (residential and commercial only; does not include water sold to local governments):

	<b>September 30, 1999</b>
Water revenue	\$72,090
Quantity of water sold (in thousands of gallons)	29,296
Average number of customers billed	329
Average quantity of water used per customer (in thousands of gallons)	89.05
Annual average revenue per customer	\$219.12
Average revenue per thousand gallons sold	\$2.46

There were 335 water utility customers at September 30, 1999.

**CUSTOMER COST ANALYSIS:**

	<b>September 30, 1999</b>
Quantity of water sold (in thousands of gallons)	
Residential and commercial	29,296
Municipal	41,344
Total	70,640
Operating expenses	\$136,611
Average cost of operations per 1,000 gallons sold	\$1.93
Net cost (Operating expenses net of non-operating income and expenses)	\$103,564
Average net cost of operations per 1,000 gallons sold	\$1.47

**PARISH OF IBERVILLE, LOUISIANA -- WATERWORKS DISTRICT NO. 4  
COMMENTS ON OPERATIONS OF WATER UTILITY SYSTEM  
SEPTEMBER 30, 1999**

**Revenues are derived from the sale of water at the following rates:**

**Residential Rates**

First 2,000 gallons or less per month	\$12.00
Over 1,000 gallons up to 5,000 gallons	\$1.25 per thousand gallons
Over 5,000 gallons	\$1.00 per thousand gallons

**Commercial Rates**

First 10,000 gallons or less per month	\$22.00
Over 10,000 gallons	\$1.00 per thousand gallons

**Municipal Rates**

October 1, 1998 through May 31, 1999	\$0.65 per thousand gallons
June 1, 1999 through September 30, 1999	\$1.40 per thousand gallons

**PARISH OF IBERVILLE, LOUISIANA--WATERWORKS DISTRICT NO. 4  
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999**

<u>Board Member</u>	<u>Amount</u>
A. O. Persick, President	\$600
James Smith	320
Eugene Simpson	240
Morris Nichols	640
Karen Price	560
Donnie Andre	360
<b>Total Compensation Paid to Board Members</b>	<b><u>\$2,720</u></b>

**INSURANCE IN FORCE**  
**SEPTEMBER 30, 1999**  
(Unaudited)

<u>Insurer</u>	<u>Type of Coverage</u>	<u>Amount</u>	<u>Policy Inception Date</u>	<u>Term in Months</u>
Transportation Insurance Company	Commercial general liability	\$1,000,000 each incident \$2,000,000 general aggregate with a \$10,000 self insurance retention	11/17/98	12
Federal Insurance Company	Directors and officers liability	\$1,000,000 with a \$1,000 deductible	04/13/99	12
Transcontinental Insurance Company	Commercial Property Property and Contents	\$870,210 with a \$500 deductible 90% co-insurance	11/17/98	12
Transcontinental Insurance Company	Commercial crime Employee dishonesty	\$100,000 with a \$500 deductible	11/17/98	12
Transportation Insurance Company	Boiler and machinery	\$20,000,000 with a \$1,000 deductible	11/17/98	12
Transportation Insurance Company	Business automobile liability	\$1,000,000	11/17/98	12