

RECEIVED
LEGISLATIVE AUDITOR
96 JUN 21 PM 3:06

OFFICIAL
FILE COPY
DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH

AUDIT REPORT

DECEMBER 31, 1995

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 8-7-96

RECEIVED
LEGISLATIVE AUDITOR
96 JUN 21 PM 3:06

ROBERT K. IRWIN
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 129
BREAUX BRIDGE, LOUISIANA 70517-0129
PHONE 318-228-7203 FAX 318-228-7203

Board of Commissioners
Lafayette Parish Waterworks District North
Lafayette, Louisiana

I have audited the financial statements of Lafayette Parish Waterworks District North (the District) as of December 31, 1995 and 1994 and for the years then ended and have rendered my report dated February 15, 1996. As part of my audit, I reviewed the system of internal control as well as other matters pertaining to the safeguarding of the assets of the District. There were no errors of irregularities which would not allow me to issue a "clean opinion," however, there was a matter which appears to be not 100% up to date.

Membership deposits

The District is still a little lax with regard to keeping records of potential customers who have paid \$50 for future connections. The number of potential customers should be identified by name in order that a complete listing of potential customers may match the amounts being held in escrow for these potential customers.

Recommendation:

It is recommended that a listing of all potential customers be kept and the number of potential customers multiplied by the \$50 deposits should match the amount shown on the balance sheets as a liability.

Management's response.

Management will initiate a program to keep these records in good order, especially in connection with the upcoming expansion of the system into Phase IV construction.


Robert K. Irwin
Certified Public Accountant

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE PARISH GOVERNMENT
Lafayette, Louisiana

AUDIT REPORT As of and for the Years ended December 31, 1995
and 1994

TABLE OF CONTENTS

	Page No.
INDEPENDENT AUDITOR'S REPORT	1
BALANCE SHEETS	3
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN RETAINED EARNINGS	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6-15
SUPPLEMENTAL INFORMATION	
Schedule of compensation paid commissioners	17
Customer data	17
Schedule of Insurance in force (Not audited)	18
Independent Auditor's report on Schedule of Federal financial Assistance	19
Statement of Revenues, Expenses, and changes in Retained Earnings (Budget and Actual) Year ended December 31, 1995	22
Statement of Revenues, Expenses, and changes in Retained Earnings (Budget and Actual) Year ended December 31, 1994	23

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE PARISH GOVERNMENT
Lafayette, Louisiana
Audit report as of and for the Years ended December 31, 1995
and December 31, 1994
Table of Contents - (Continued)

Page No.

REQUIRED GOVERNMENT REPORTS

Independent auditor's report on Internal Control Structure based on an audit of financial statements performed in accordance with <u>Government Auditing Standards</u>	25
Independent auditor' unqualified report on compliance based on an audit of financial statements performed in accordance with <u>Government Auditing Standards</u> - no reportable instances of noncompliance	28

ROBERT K. IRWIN
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 129
BREAUX BRIDGE, LOUISIANA 70517-0129
PHONE 318-228-7203 FAX 318-228-7203

INDEPENDENT AUDITORS' REPORT

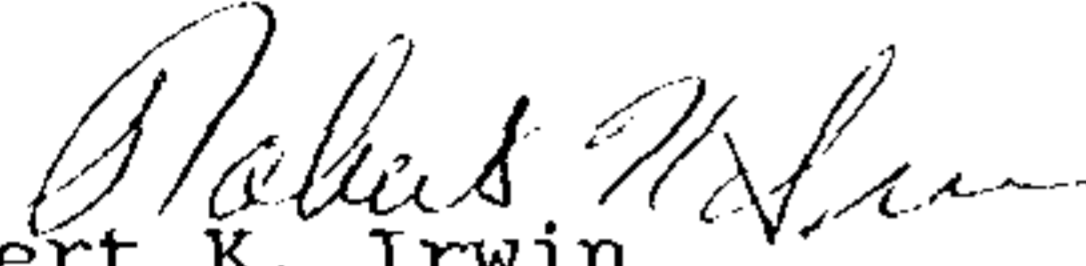
To Lafayette Parish Waterworks District North
Lafayette Parish Government
Lafayette, Louisiana

I have audited the accompanying financial statements of Lafayette Parish Waterworks District North, a component unit of Lafayette Parish Government, as of and for the years ended December 31, 1995 and 1994, as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lafayette Parish Waterworks District North as of December 31, 1995 and 1994, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

My audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedules of revenues and expenses (budget & actual,) and federal financial assistance for the years ended December 31, 1995 and 1994, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.


Robert K. Irwin
Certified Public Accountant
Breaux Bridge, Louisiana
February 15, 1996

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
BALANCE SHEETS
December 31, 1995 and 1994

ASSETS	1995	1994
CURRENT ASSETS		
Cash	\$108,533	\$39,707
Due from City of Lafayette	27,345	23,466
Prepaid insurance	280	656
	136,158	63,829
RESTRICTED ASSETS		
Cash	192,039	238,018
	3,196,005	3,161,080
OTHER ASSETS		
Construction in progress	6,277	0
Investment in Water Commission	5,000	0
	11,277	0
Total assets	\$3,535,479	\$3,462,927
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$0	\$3,369
Membership deposits	16,915	15,000
Current portion long-term debt	11,996	20,000
Accrued interest payable	33,799	37,131
	62,710	75,500
LONG-TERM LIABILITIES		
Notes payable less current portion	2,762,727	2,777,615
Total liabilities	2,825,437	2,853,115
FUND EQUITY		
Contributed capital	215,650	215,100
Retained earnings - unreserved	494,392	394,712
Total fund equity	710,042	609,812
Total liabilities and fund equity	\$3,535,479	\$3,462,927

See notes to financial statements.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
 STATEMENTS OF REVENUES/EXPENSES & CHANGES IN RETAINED EARNINGS
 Years Ended December 31, 1995 and 1994

	1995	1994
OPERATING REVENUES		
Water sales & other income	\$883,199	\$684,430
OPERATING EXPENSES		
	609,323	461,261
NET OPERATING INCOME	273,876	223,169
OTHER INCOME (EXPENSES)		
Interest income	10,432	5,989
Interest expense	(184,628)	(198,013)
Net other expenses	(174,196)	(192,024)
Net income	99,680	31,145
Retained earnings - beginning	394,712	363,568
Retained earnings - ending	\$494,392	\$394,712

See Notes to Financial Statements.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
STATEMENTS OF CASH FLOWS
Years Ended December 31, 1995 and 1994

	1995	1994
<hr style="border-top: 1px dashed black;"/>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$273,876	\$31,145
Adjustments to reconcile operating income to net cash provided by operations:		
Depreciation	92,680	76,306
(Increase) in accounts receivable	(3,879)	(2,028)
(Decrease) in accounts payable	(3,369)	(32,117)
Decrease in prepaid insurance	376	0
Increase in membership deposits	2,465	7,150
	<hr style="border-top: 1px dashed black;"/>	
Net cash provided by operations	361,772	80,456
<hr style="border-top: 1px dashed black;"/>		
CASH FLOWS FROM CAPITAL & RELATED ACTIVITIES		
Reduction in notes payable	(22,892)	(14,763)
Increase accrued interest	(3,333)	1,374
Net interest earned/expensed	(174,196)	0
	<hr style="border-top: 1px dashed black;"/>	
Cash flows from capital and Related activities	(200,421)	(13,389)
<hr style="border-top: 1px dashed black;"/>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Changes in CDs	46,357	351,374
Investment in Water Commission	(5,000)	0
Payments - construction in progress	(6,277)	811,092
Capital outlay	(127,605)	(1,101,981)
Transfers to restricted cash		(103,373)
	<hr style="border-top: 1px dashed black;"/>	
Cash flows investing activities	(92,525)	(42,888)
<hr style="border-top: 1px dashed black;"/>		
Net change in cash	68,826	24,179
	<hr style="border-top: 1px dashed black;"/>	
Cash at beginning of year	39,707	15,528
	<hr style="border-top: 1px dashed black;"/>	
Cash at end of year	\$108,533	\$39,707
<hr style="border-top: 1px dashed black;"/>		
SUPPLEMENTAL INFORMATION		
Interest paid during year	\$184,628	\$198,013
See Notes to Financial Statements.		

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE PARISH GOVERNMENT
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 1995

INTRODUCTION

The Lafayette Parish Waterworks District North (the District) was created by Ordinance No. 281 of the Lafayette Parish Police Jury on October 10, 1974. The purpose of the District is to provide potable drinking water to the residents of District located in the Northern Section of Lafayette Parish. The directors of the District include ten (10) members appointed by the Lafayette Parish Government. They are compensated from revenues earned by the District but limited to that set by the Parish Government. The District serves approximately 3,000 customers. There are no employees of the District as all water is purchased from the City of Lafayette under a contract in which the City provides all the operating services to the customers. The District does not own any operating facility.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE PARISH GOVERNMENT
Lafayette, Louisiana
Notes to the Financial Statements (Continued)

Governmental Accounting Standards board Statement No. 14 established criteria for determining which component units should be considered part of the Lafayette Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's body, and
 - a. The ability of the Parish Government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish government appoints all members of the board of directors of the District, the District was determined to be a component unit of the Lafayette Parish Government, the financial reporting entity.

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

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

C. FUND ACCOUNTING

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

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds (including enterprise funds) are accounted for on a flow of economic resources management focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

E BUDGETS

Ninety (90) days prior to the beginning of the calendar year, Farmers-Home Administration requires the adoption of a budget. Budgets are adopted on the accrual basis of accounting. After the budget has been approved and forwarded to the Bond-holder (Farmers-Home Administration), it becomes a guide for the District to follow. The budget may be changed but not before Farmers-Home has given its approval. Appropriations not used lapse at year end.

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

F. ENCUMBERANCES

The District does not use the Encumbrance method of accounting.

G. CASH AND CASH EQUIVALENTS
AND INVESTMENTS

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

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

H. INVENTORIES

The District does not keep an inventory of consumable supplies.

I. PREPAID ITEMS

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

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
 LAFAYETTE PARISH GOVERNMENT
 Lafayette, Louisiana
 Notes to the Financial Statements (Continued)

J. FIXED ASSETS

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

Water service lines 30 - 40 years

K. COMPENSATED ABSENCES

The District does not have employees. Compensated absence is not an issue as of December 31, 1995.

L. LONG-TERM OBLIGATIONS

The District entered into three (3) separate loan agreements with Rural Economic Conservation Agency (formerly Farmers-Home Administration) for the purpose of constructing a water system and for providing extensions to the system. The loans were made as follows:

Date made	Amount borrowed	Interest rate	Terms
-----	-----	-----	-----
04-19-89	\$ 1,000,000	7.750%	40 yrs
05-05-88	\$ 900,000	7.125%	40 yrs
06-07-91	\$ 950,000	5.625%	40 yrs

All three of the above-listed notes were outstanding at December 31, 1995 and 1994.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE PARISH GOVERNMENT
Lafayette, Louisiana
Notes to the Financial Statements (Continued)

Status of notes at 12-31-95

Balance 01-01-95	Additions	Reductions	Balance 12-31-95
\$ 972,317	\$ 0	4,747	967,571
877,886	0	5,629	872,256
947,441	0	12,545	934,896
<u>\$2,796,645</u>	<u>\$ 0</u>	<u>\$22,922</u>	<u>\$2,774,723</u>

Balance 01-01-94	Additions	Reductions	Balance 12-31-94
\$ 978,642	\$ 0	\$ 6,323	\$ 972,317
883,883	0	5,998	877,886
949,854	0	2,413	947,441
<u>\$2,812,379</u>	<u>\$ 0</u>	<u>\$ 14,734</u>	<u>\$2,796,645</u>

Maturities of long-term liabilities are scheduled as follows:

Year end	Interest	Principal	Total
12-31-96	\$199,046	\$11,996	\$211,042
12-31-97	188,360	22,682	211,042
12-31-98	195,914	15,128	211,042
12-31-99	194,173	16,869	211,042
12-31-00	195,000	16,042	211,042
12-31-01 to 12-31-24	3,541,947	2,692,006	6,233,953
	<u>\$4,514,440</u>	<u>\$2,774,723</u>	<u>\$7,289,163</u>

These long-term obligations are financed through operations.

M. FUND EQUITY

There are no reserves or designated fund balances.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
 LAFAYETTE PARISH GOVERNMENT
 Lafayette, Louisiana
 Notes to the Financial Statements (Continued)

2. LEVIED TAXES

The District does not have the authority to levy taxes.

3. FUND DEFICITS

There are no fund deficits.

4. CASH AND CASH EQUIVALENTS

At December 31, 1995 and 1994, the district had cash and cash equivalents (book balances) totaling \$192,039 at 12-31-95 and \$238,018 at 12-31-94.

Accounts open at year end 1995 and 1994 were:

Name of Account	12-31-95	12-31-94
Membership account	\$550	\$0
Construction account	193	80,876
Reserve fund	73,616	58,743
Contingency fund	59,230	48,858
Sinking fund	58,450	49,540
	\$192,039	\$238,018

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

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1995, the district has \$300,572 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$900,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE PARISH GOVERNMENT
Lafayette, Louisiana
Notes to the Financial Statements (Continued)

5. RESTRICTED CASH

As required by the loan Agreement with the bond-holders, certain resources which are set aside for their repayment, are classified as restricted assets on the balance sheets because their use is limited. Four separate accounts have been provided. They are:

a. Sinking Fund

The Sinking Fund is used to accumulate a monthly sum, which will eventually equal a one year annual note payment on the bonds, over a 12-year period.

Balance \$58,450 at 12-31-95 and \$49,541 at 12-31-94.

b. Contingency Fund

Commencing with the month following completion of the waterworks system financed with bonds issued by the Farmers Home Administration (FmHA), a sum designated by (FmHA) must be deposited into this fund.

Balance \$59,930 at 12-31-95 and \$48,858 at 12-31-94.

c. Reserve Fund

Commencing with the month following completion of the waterworks system financed by proceeds of bonds issued by the Farmers Home Administration (FmHA), a sum equal to 5% of the monthly payments being made into the sinking Fund must be deposited into this fund.

Balance \$73,616 at 12-31-95 and \$58,743 at 12-31-94.

d. Construction Fund

This fund is used only during periods of construction. funds are expended for capital improvements authorized by Farmers Home Administration.

Balance \$193 at 12-31-95 and \$80,876 at 12-31-94.

6. INVESTMENTS

At December 31, 1995 and 1994 the District did not have funds in the investment category.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
 LAFAYETTE PARISH GOVERNMENT
 Lafayette, Louisiana
 Notes to financial Statements (Continued)

7. RECEIVABLES

The District's receivables from operating activities were:

	12-31-95 -----	12-31-94 -----
City of Lafayette, Louisiana	\$27,345 =====	\$23,466 =====

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

8. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	12-31-95 -----	12-31-94 -----
Water service lines beginning	\$2,541,740	\$2,436,004
Additions	954,118	105,736
Water service lines ending	\$3,495,858 =====	\$2,541,740 =====

9. PENSION PLAN

As the district has no employees, no provision has been made concerning a pension plan. The directors or commissioners of the District serve on a voluntary basis, no provision is made for a pension or retirement of each member.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE PARISH GOVERNMENT
Lafayette, Louisiana
Notes to the financial Statements (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS

None.

11. COMPENSATED ABSENCES

None.

12. LEASES

None

13. CHANGES IN LONG-TERM OBLIGATIONS

See Note 1(L) for the transactions and annual requirements of long-term obligations of the District.

14. RELATED PARTY TRANSACTIONS

During the year ended December 31, 1995 and 1994, there were no related-party transactions.

15. LITIGATION AND CLAIMS

The District is not aware of any litigation and/or possible claims against the District as of December 31, 1995 and 1994.

16. SUBSEQUENT EVENTS

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

17. OTHER SUPPORT

None.

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

18. CONTRACTURAL AGREEMENTS

The District entered into an agreement with the City of Lafayette, Louisiana whereby the City is to furnish water to the District at a rate of \$1.212 per 1,000 gallons of water. The City handles all administrative costs and insurance as well as billing and collecting for water services to customers. After paying all of the operating expenses of the water system, the District is paid the remainder of the funds collected.

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

19. CONTINGENCIES

Preparation have commenced for Phase IV of the total construction plan of the District. Expected cost for this phase is approximately \$1,400,000. The Economic Rural Security Agency has approved this project, and will fund same with a loan similar to previously issued bonds.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE PARISH GOVERNMENT
Lafayette, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 1995

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE PARISH GOVERNMENT
Lafayette, Louisiana
SCHEDULE OF COMPENSATION PAID TO COMMISSIONERS
As of and for the year ended December 31, 1995

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation to be paid each member was approved by the authorizing Ordinance and later amended by Ordinance of the Lafayette Parish Government.

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

Larry J. Pitre - Chairman	October 25, 1998
D. O. Broussard - Vice-chairman	June 26, 1998
Weston Broussard - Sec/Treas	June 26, 1997
James Prather	November 9, 1999
Johnny Prejean	June 26, 1997
Claude Anderson	November 15, 1997
Joseph M. Walker	November 15, 1997
Jack Montoucet	October 25, 1997
John Richard	March 11, 1998
James Billeaud	June 23, 1999

Commissioners are paid \$25 per meeting with the exception of the Chairman who is paid \$50. Total paid commissioners was \$3,900 for 1995 and \$2,575 for 1994. In addition out-of-pocket expenses are paid to the commissioners when they occur.

CUSTOMER DATA

There are a total of 3,150 customers on the system and the rates charged are:

\$6.50 for the first 1,000 gallons used.
\$7.00 for each additional 1,000 gallons.

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

DECEMBER 31, 1995

Policy number 18191316 issued by Western Security Company.
Souix Falls, South Dakota 57192 covering Position
fidelity Schedule Bond.

President \$200,000

Policy expires October 5, 1996

NOT AUDITED

ROBERT K. IRWIN
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 129
BREAUX BRIDGE, LOUISIANA 70517-0129
PHONE 318-228-7203 FAX 318-228-7203

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL
FINANCIAL ASSISTANCE

To the Board of Commissioners
Lafayette Parish Waterworks District North
Lafayette, Louisiana

I have audited the financial statements of Lafayette Parish Waterworks District North as of and for the year ended December 31, 1995, and have issued my report thereon dated February 1, 1996. These financial statements are the responsibility of Lafayette Parish Waterworks District North's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

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

fairly presented in all material respects in relation to the financial statements taken as a whole.

Robert K. Irwin
Certified Public Accountant
Lafayette, Louisiana
February 1, 1996

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE, LOUISIANA

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

GRANTOR AGENCY

U. S. Department of Agriculture

Economic Security Agency

Purpose - Water services

CFDA Number 10.418

Financial assistance provided 1995 None

1994 None

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
 SCHEDULE OF REVENUES/EXPENSES (BUDGET & ACTUAL)
 FOR THE YEAR ENDED DECEMBER 31, 1995

	Budget	Actual
REVENUE		
Water sales & other income	\$668,000	\$893,630
EXPENSES		
Cost of water sold	330,000	455,051
Services installed	0	4,200
Water meters installed	0	5,644
Penalty fees	0	6,951
NSF Charges	0	1,041
Connection fees	0	3,240
Accounting and legal fees	13,600	19,839
Advertising	400	55
Bank service charges	0	12
Depreciation expense	90,000	92,680
Director fees	3,600	3,900
Insurance expense	900	1,251
Interest expense	200,000	184,628
Interest on deposit refunds	0	476
Miscellaneous expenses	0	4,482
Office expenses	1,116	692
Repairs	1,000	0
Misc travel & operating expenses	0	9,044
Supplies	100	0
Secretarial fees	0	765
	\$640,716	\$793,951
	\$640,716	\$793,951

See notes to Financial Statements

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
 SCHEDULE OF REVENUES/EXPENSES (BUDGET & ACTUAL)
 FOR THE YEAR ENDED DECEMBER 31, 1994

	Budget	Actual
REVENUE		
Water sales & other income	\$552,667	\$690,343
EXPENSES		
Cost of water sold	286,667	361,879
Services installed	0	0
Water meters installed	0	2,156
Penalty fees	0	3,951
NSF Charges	0	2,720
Connection fees	0	5,057
Accounting and legal fees	3,600	3,600
Advertising	400	0
Bank service charges	0	32
Depreciation expense	70,000	76,306
Director fees	3,600	2,575
Insurance expense	900	875
Interest expense	155,000	198,012
Interest on deposit refunds	0	168
Miscellaneous expenses	0	0
Office expenses	616	745
Repairs	1,000	562
Misc travel & operating expenses	0	0
Supplies	100	0
Secretarial fees	500	560
	\$522,383	\$659,198
	\$522,383	\$659,198

See notes to Financial Statements

LAFAYETTE PARISH WATERWORKS DISTRICT NORTH
LAFAYETTE, LOUISIANA

REQUIRED GOVERNMENT REPORTS

December 31, 1995

ROBERT K. IRWIN
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 129
BREAUX BRIDGE, LOUISIANA 70517-0129
PHONE 318-228-7203 FAX 318-228-7203

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

To the Board of Commissioners
Lafayette Parish Waterworks District North
Lafayette, Louisiana

I have audited the financial statements of Lafayette Parish Waterworks District North, as of and for the year ended December 31, 1995, and have issued my report thereon dated February 1, 1996.

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

The management of the Lafayette Parish Waterworks District North 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 my audit of the financial statements of Lafayette Parish Waterworks District North for the year ended December 31, 1995, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted no matters involving the internal control structure and its operation that I considered to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

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

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

I also noted other matters involving the internal control structure and its operation that I have reported to the management of Lafayette Parish Waterworks District North in a separate letter dated February 1, 1996.

This report is intended for the information of the management, all applicable federal agencies, and other governmental agencies from whom federal financial assistance was received. This restriction is not intended to limit the distribution of this report, which, upon delivery to Lafayette Parish Waterworks District North, is a matter of public record.

Robert K. Irwin, CPA
Lafayette, Louisiana
February 1, 1996

ROBERT K. IRWIN
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 129
BREAUX BRIDGE, LOUISIANA 70517-0129
PHONE 318-228-7203 FAX 318-228-7203

INDEPENDENT AUDITOR'S UNQUALIFIED REPORT ON
COMPLIANCE BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
NO REPORTABLE INSTANCES OF NONCOMPLIANCE

To the Board of Commissioners
Lafayette Parish Waterworks District North
Lafayette, Louisiana

I have audited the financial statements of Lafayette Parish Waterworks District North as of and for the year ended December 31, 1995, and have issued my report thereon dated February 1, 1996.

I conducted my audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

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

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

This report is intended for information of management, all applicable Federal Agencies, and other governmental agencies from whom federal financial assistance was received. However, this report is a matter of public record and its distribution is not limited.

Robert K. Irwin
Certified Public Accountant
Lafayette, Louisiana
February 1, 1996