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NATCHOGOS DISTRICT #7
OF EAST PELLICIAH PARISH
LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1968

These financial statements were prepared in accordance with the provisions of the Louisiana Constitution and the Louisiana Code of Governmental Accounting. The financial statements are prepared on the basis of the records and information furnished to the Auditor by the officials of the Parish and are not intended to be audited by the Auditor. The financial statements are prepared on the basis of the records and information furnished to the Auditor by the officials of the Parish and are not intended to be audited by the Auditor.

Approved by the Board of Commissioners
FEB 17 1968

**WATERBURY DISTRICT #2
OF WEST FELICIAN, MAINE
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PHIL T. GRAHAM

CERTIFIED PUBLIC ACCOUNTANT

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TELEPHONE: 854-028-4888 FAX: 854-028-4888

September 25, 1998

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Waterworks District #7
East Feliciana Parish
Clinton, Louisiana

I have audited the accompanying general purpose financial statements of

WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH

A component unit of East Feliciana Parish Police Jury, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial statements contained in 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 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Waterworks District #7 of East Feliciana Parish as of June 30, 1998, and the results of its operations and the cash flows for the year ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated September 25, 1998 on my consideration of

Waterworks District #7
East Feliciana Parish
September 30, 1998
Page 2

Waterworks District #7's internal control over financial reporting and my tests of its compliance with laws, regulations, contracts, and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of Waterworks District #7 of East Feliciana Parish, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general purpose financial statements of Waterworks District #7 of East Feliciana Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH
BALANCE SHEET
JUNE 30, 1988
(WITH COMPARATIVE DATA AS OF JUNE 30, 1987)

ASSETS

	<u>1988</u>	<u>1987</u>
CURRENT ASSETS		
Cash - operating	\$ 18,500	\$ 14,000
Less: restricted cash	(10,830)	(10,800)
Accounts receivable (net of allowance for doubtful accounts of \$14,657 for 1988 and \$14,457 for 1987)	15,263	13,203
Prepaid insurance	2,330	743
Accrued interest	71	70
	<u>26,334</u>	<u>17,216</u>
 RESTRICTED ASSETS		
Cash:		
Reserve fund	8,812	7,519
Depreciation fund	14,813	12,740
Restricted portion of current cash accounts	<u>10,530</u>	<u>10,532</u>
	<u>34,155</u>	<u>30,791</u>
 PROPERTY, PLANT AND EQUIPMENT		
Land	4,500	4,500
Water utility system	1,126,390	1,064,235
Less: accumulated depreciation	<u>(238,311)</u>	<u>(208,281)</u>
	<u>870,579</u>	<u>860,454</u>
 Total Assets	 <u>\$ 265,078</u>	 <u>\$ 213,428</u>

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

LIABILITIES, RESERVES, AND RETAINED EARNINGS

	<u>1988</u>	<u>1987</u>
CURRENT LIABILITIES		
Accounts payable	0 72,922	0 29,364
Customer deposits	10,875	9,572
Sales tax payable	<u>320</u>	<u>281</u>
	<u>84,117</u>	<u>39,217</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Current portion of bond payable	<u>4,385</u>	<u>4,372</u>
	<u>4,385</u>	<u>4,372</u>
NON-CURRENT LIABILITIES		
Revenue bonds payable less current portion	<u>342,582</u>	<u>342,582</u>
Total Liabilities	<u>431,524</u>	<u>390,842</u>
EQUITY		
Contributed capital - governmental grants	673,600	673,600
Contribution in aid of construction	<u>9,380</u>	<u>9,380</u>
FUND BALANCES		
Reserve for depreciation fund	15,933	14,940
Reserve for revenue note fund	17,530	16,190
Retained earnings (deficit)	<u>(190,761)</u>	<u>(180,233)</u>
	<u>122,702</u>	<u>110,997</u>
Total Equity	<u>572,682</u>	<u>523,527</u>
Total Liabilities, Reserves and Equity	<u>\$ 954,106</u>	<u>\$ 814,369</u>

WATERWORKS DISTRICT NO. OF EAST FELICIANA PARISH
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR JUNE 30, 1988
 (WITH COMPARATIVE DATA AS OF JUNE 30, 1987)

	UNRESERVED RETAINED EARNINGS (DEFICIT)	RESERVED RETAINED EARNINGS FOR BOND SERVICE AND CONSTRUCTION	TOTAL RETAINED EARNINGS DEFICIT
Balance June 30, 1986	<u>1182,317</u>	<u>18,847</u>	<u>1201,164</u>
Net income (loss)	(3,483)		(3,483)
Transfer (to) from restricted assets	<u>12,363</u>	<u>2,311</u>	<u>0</u>
Balance June 30, 1987	<u>\$ 1188,834</u>	<u>\$ 21,158</u>	<u>\$ 1210,092</u>
Net income (loss)	(115)		(115)
Transfer (to) from restricted assets	<u>12,941</u>	<u>2,314</u>	<u>0</u>
Balance June 30, 1988	<u>\$ 1198,760</u>	<u>\$ 23,472</u>	<u>\$ 1222,232</u>

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

WATERWORKS DISTRICT #1 OF EAST FELICIANA PARISH
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 1999
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 1997)

	<u>1999</u>	<u>1997</u>
OPERATING REVENUES		
Water sales	\$135,587	\$101,402
Late fees	5,324	4,482
	<u>139,911</u>	<u>105,884</u>
OPERATING EXPENSES		
Advertising	1,008	650
Bank charges	194	84
Bill processing and management fees	28,373	26,337
Board fees	3,488	3,460
Depreciation	28,058	20,824
Dues and subscriptions	304	39
Insurance	3,364	3,387
Legal and professional	5,000	5,000
Miscellaneous	500	0
Office expenses	109	42
Repairs and maintenance	11,914	7,227
Salaries	1,518	1,300
Taxes and licenses	199	265
Travel	283	82
Utilities	12,338	11,593
	<u>88,662</u>	<u>88,570</u>
OPERATING INCOME (LOSS)	<u>51,249</u>	<u>17,314</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	639	424
Bad debts	(300)	(50)
Interest expenses	(23,383)	(23,388)
	<u>(22,944)</u>	<u>(22,914)</u>
NET INCOME (LOSS)	<u>\$28,305</u>	<u>\$-500</u>

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

**WATERBURY DISTRICT #7
OF EAST POLICEARS PARISH
STATEMENT OF CASH FLOWS
JUNE 30, 1998**

(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 1997)

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 11150	\$ 63,650
Noncash items included in net income (loss):		
Depreciation and amortization	38,058	28,028
Bad debt provision	308	50
Increase (decrease) in:		
Accounts receivable	(2,388)	1131
Prepaid expenses	(3,885)	1,497
Accrued interest	(1)	0
Restricted assets	(2,312)	(2,304)
Increase (decrease) in:		
Accounts payable	43,558	(4,804)
Customer deposits	1,403	973
Sales tax payable	78	(312)
	68,007	28,868
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	68,007	28,868
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant, and equipment	(61,355)	(13,630)
	(61,355)	(13,630)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(61,355)	(13,630)
CASH FLOWS FROM FINANCING ACTIVITIES		
Retirement of long-term debt	(4,288)	(4,282)
	(4,288)	(4,282)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(4,288)	(4,282)
NET INCREASE (DECREASE) IN CASH	2,361	106
CASH AT BEGINNING OF YEAR	1,798	1,472
CASH AT END OF YEAR	\$ 4,159	\$ 1,578
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ 23,351	\$ 22,346

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

BRIDGEWATER DISTRICT BY
OF EAST FALCONIA BOROUGH
MEMBERS OF REPRESENTATION FOR FEDERAL BANKING
FOR THE YEAR ENDED JUNE 30, 1976

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Financial Assistance</u>
U.S. Department of Agriculture, Office for Rural Development		
Water and Waste Disposal Systems for Rural Communities	10.418*	\$587,307

* Loan guarantee

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

WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Waterworks District #7 of East Feliciana Parish is a component unit of East Feliciana Parish Police Jury and was organized to provide water distribution services to residents of East Feliciana Parish.

This fund is a proprietary fund of the East Feliciana Parish Police Jury. A proprietary fund, also known as an enterprise fund, is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expense, including depreciation of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

A. Basis of Accounting

The financial statements of Waterworks District #7 are maintained on an accrual basis of accounting. This method recognizes revenues when they are earned, and expenses when they are incurred. The District complies with Generally Accepted Accounting Principles.

B. Accounts Receivable

The District's billing cycle may extend into the subsequent year. If that should be the case, accounts receivable at June 30, 1998 have been adjusted to allow for a year end cut-off date.

C. Taxes

Waterworks District #7 is a proprietary fund of East Feliciana Parish Police Jury. Consequently, they are exempt from paying federal and state income tax. All other local, state and federal taxes are paid current.

D. Deposited Funds

Deposits (cash and certificates of deposit) are carried at cost which equals market value. The carrying amount of deposits as of June 30, 1998 was \$41,825. One hundred percent of the cash deposits of the District were covered by federal depository

WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

insurance during the year ended June 30, 1998.

E. Reporting Entity

The accompanying financial statements include only the accounts and transactions of Waterworks District #7 of East Feliciana Parish. The Waterworks District is owned and operated by the East Feliciana Parish Police Jury which is the governing authority of East Feliciana Parish, Louisiana. The governing authority appoints members of the Water District's Board of Directors. The board exercised all administrative functions with respect to the operation and management of the Water District.

F. Plant and Equipment

Plant and equipment are stated at cost and do not purport to represent replacement or realizable values. The cost of depreciable property, plant and equipment is charged to earnings over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expense as incurred; expenditures for renewals and betterments are generally capitalized. When properties are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in revenue. Depreciation of all depreciable property, plant and equipment is computed using the straight-line method over the following lives:

<u>ASSET</u>	<u>ESTIMATED USEFUL LIFE</u>
Water System	18-45 years
Land	N/A

G. Statement of Cash Flow

For the purposes of the statement of cash flow, cash and cash equivalents are defined as unrestricted demand deposits and highly liquid investments available for current use with an initial maturity of three months or less.

H. Comparative Data

Comparative data for the prior period has been presented in the

WATKINSON DISTRICT #1 OF EAST FELICIANA PARISH
NOTE TO THE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

accompanying financial statements to provide an understanding of the changes in the District's financial position and operations.

I. Interest Capitalization

Interest costs are capitalized when incurred on debt where proceeds were used to finance construction costs. There was no interest which was capitalized during the year ending June 30, 1998.

J. Concentration of Credit Risk

In the normal course of business, the District extends unsecured credit to its customers in East Feliciana Parish in the state of Louisiana.

The District has only one water well which serves its customers. Income could be affected in the event of mechanical failure.

K. Use of 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 those estimates.

NOTE #2: RESTRICTED ASSETS

The Revenue Bond Resolution, Section 8, adopted the 5th day of September 1995, amended on the 16th day of February, 1997 provides for all income and revenue derived from the operation of the District to be pledged for the security and payment of Series A Bond.

All income and revenue derived from the operation or ownership of the System shall be deposited periodically as the same may be collected in a separate and special bank account to be established with the regularly designated fiscal agent bank of the District and to be known as the Waterworks System Revenue Fund (the "Revenue Fund"). Said Fund shall be established, maintained and administered and the money deposited therein shall be expended for

WATERWORKS DISTRICT #7 OF EAST WILKINSON PARISH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE #2: RESTRICTED ASSETS (CONTINUED)

the following expenses payable in the following order of priority:

- (A) The payment of current expenses of the System from month to month as the same become due and payable. Current expenses will not exceed the reasonable and necessary costs of operating, repairing, maintaining and insuring the System.

- (B) The establishment and maintenance of a Waterworks System Revenue Bond and Interest Sinking Fund (the "A Bond Sinking Fund"), sufficient in amount to pay promptly and fully the principal of and interest on the Bond, including any penalties bonds issued hereafter in the manner provided in the resolution, as they severally become due and payable, by depositing with the depository bank by transferring from said Revenue Fund to the Bond Sinking Fund before the 30th day of each month of each year beginning on the first day of the month following delivery of this bond, a sum equal to one-twelfth (1/12) of the interest falling due on the Bond on the next interest payment date and, in addition, a sum equal to one-twelfth (1/12) of the principal on the bond falling due on the next principal payment date, together with such additional proportionate sum as may be required as the same shall respectively become due. Money in the Sinking Funds shall be deposited as trust funds and shall be used solely and is hereby expressly and exclusively pledged for the purpose of paying principal and interest on the Bond and parity bonds. The payment is now being remitted monthly to Farmer's Home Administration, the current bond holder. As of June 30, 1998 Waterworks District #7 had made the payments as required by the agreement. Following the required payments to the Bond Sinking Fund, the moneys remaining in the Revenue Fund shall be distributed in accordance with the following paragraphs:

- (C) The establishment and maintenance of a Waterworks System Revenue Bond Reserve Fund (hereinafter called the "Reserve Fund"), by transferring to the depository bank (a member of the Federal Deposit Insurance Corporation) monthly, in advance, on or before the 30th day of each month of each year, beginning not later than the first full month in which the System becomes revenue-producing, a sum equal to five percent (5%) of the sum required to be transferred in each month into the Bond Sinking Fund, the payments to continue until each time as there has been accumulated therein a sum equal to the highest annual debt service, including both principal and interest payable in any

**WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998**

NOTE #2: RESTRICTED ASSETS (CONTINUED)

future fiscal year on the outstanding principal of the bond. The money in the Reserve Fund is to be retained solely for the purpose of paying the principal of and the interest on all bonds payable from the Bond Sinking Fund so to which there would otherwise be default. As of June 30, 1998, Waterworks District #7 had made the payments as required by the agreement.

- (D) The establishment and maintenance of a "Depreciation and Contingency Fund" by transferring from the said Reserve Fund on or before the 15th day of each month commencing with the first full month in which the complete System becomes revenue-producing, to the depository bank, the sum of eighty-one dollars (\$81.00). All moneys in the Depreciation and Contingency Fund may be drawn on and used by the District for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, replacements and extensions; and the costs of improvements to the System which will either enhance its revenue-producing capacity or provide a higher degree of service. In the event the available balances in the Bond Sinking Fund and/or Reserve Fund shall at any principal or interest payment date be insufficient to pay the next installment of principal and/or interest and to maintain the required debt service, Reserve Funds on deposit in the Depreciation and Contingency Fund shall be transferred in such amounts as are necessary to eliminate the deficiencies, respectively, in the Bond Sinking Fund and the Reserve Fund. As of June 30, 1998, Waterworks District #7 had permitted the required payments to this fund.

NOTE #3: BONDS PAYABLE

The following is a summary of bond transactions of the Water District for the year ended June 30, 1998:

Revenue bonds issued July 8, 1987 (Beginning)	5282,544
Revenue bonds retired, during the year	<u>2,830</u>
Revenue bonds payable, end of year	<u>5279,714</u>
Revenue bonds issued July 25, 1993 (Beginning)	17,989
Revenue bonds retired, during the year	<u>180</u>
Revenue bonds payable, end of year	<u>5,67,201</u>
Total revenue bonds payable, end of year	<u>5,836,915</u>

Bonds payable are comprised of the following individual issues:

WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE #3: BONDS PAYABLE (CONTINUED)

225,500 - Waterworks Revenue Bonds, Series 1987 dated July 8, 1987, due in annual installments of \$21,863, including interest at 4.5% beginning with the third anniversary date of the bond and thereafter for a period of forty years. The first two payments were for interest only in the amount of \$19,909.

214,880 - Waterworks Revenue Bonds, Series 1991 dated July 28, 1991, due in monthly installments of \$387.94, including interest at 5.625% beginning on August 1, 1991 and thereafter for a period of 30 years. A payment for interest only was due July 8, 1995 and was paid as of that date.

The annual requirements to amortize all debt outstanding as of June 30, 1997, including interest payments are as follows:

YEAR ENDING JUNE 30.	INTEREST	PRINCIPAL	TOTAL REQUIREMENT
1998	\$ 21,864	\$ 4,185	\$ 26,049
2000	21,343	5,606	26,949
2001	21,212	6,427	27,639
2002	20,859	6,180	27,039
2003	20,483	6,156	26,639
2004	20,083	6,257	26,340
Thereafter	<u>163,336</u>	<u>313,666</u>	<u>477,002</u>
	<u>285,543</u>	<u>327,862</u>	<u>613,405</u>

Total requirements for the reserve requirements for the next five years are \$2,104 each year.

NOTE #4: PROPERTY, PLANT AND EQUIPMENT

The following is a summary of changes in property, plant and equipment for the fiscal year:

	BALANCE 6/30/97	ADDITIONS	DEDUCTIONS	BALANCE 6/30/98
Land	\$ 4,509			\$ 4,509
Water System	<u>1,125,382</u>	<u>61,355</u>		<u>1,186,737</u>
Accumulated Depreciation	<u>1,128,735</u>	<u>61,355</u>		<u>1,190,090</u>
Water System	<u>\$ 104,344</u>	<u>\$ 29,000</u>		<u>\$ 133,344</u>

**WATERWORKS DISTRICT #7 OF EAST FELICIANA PARISH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998**

NOTE #3: RELATED PARTY TRANSACTIONS

The Water District obtains water under the terms of a local service agreement entered into with East Feliciana Parish Police Jury. The water is obtained from a well which was constructed with proceeds from a H.U.D. grant (\$125,000) to East Feliciana Parish Police Jury. The well is located on property owned by Waterworks District #7.

The service agreement provides for a 85 year lease commencing on the date the well is first placed into service. The District is to operate and maintain the water well. The Parish has granted to the District a franchise to operate a waterworks utility system.

The sole consideration obligated to be paid by the District is to issue waterworks revenue bonds to place into operation a waterworks utility system for use and benefit of customers in East Feliciana Parish.

The District has the option to purchase the water well from the Parish at any time by paying to the Parish a sum equal to the original cost of the well less depreciation as may be certified by the District's Consulting Engineer.

The District and the Parish covenant and agree that no action will ever be taken by the Parish or District which would have the effect of impairing the security for or the payment of the Waterworks revenue bond.

NOTE #4: CERTIFICATE OF DEPOSIT

The District has the following certificate of deposit with Feliciana Bank & Trust Company:

	MATURITY DATE	ANNUAL INTEREST RATE	AMOUNT
Depreciation and Reserve Fund Accounts	November 2, 1998	4.25%	\$ 10,880

NOTE #7: COMPENSATION PAID TO BOARD MEMBERS

<u>BOARD MEMBERS</u>	<u>TERM EXPIRES</u>	<u>AMOUNT</u>
Mary Dunn	July 2003	\$ 600
Samuel Brown	July 2003	840
Cheryl Jackson	July 2003	600
Larry Granier	July 2003	840
Roger Harot	July 2003	780
		<u>\$3,460</u>

**WATERWORKS DISTRICT #7 OF EAST DELICLAWS PARISH
STATE OF LOUISIANA
ENTER TO THE FINANCIAL STATEMENTS
JUNE 30, 1928**

NOTE #6: AGING OF ACCOUNTS RECEIVABLE

Aging of accounts receivable as of June 30, 1928 is as follows:

	CURRENT	10 DAYS	30 DAYS	90 DAYS	TOTAL
Active	\$12,311	\$ 2,427	\$ 428	\$ 169	\$15,435
Inactive	0	0	0	14,485	14,485
Total	<u>\$12,311</u>	<u>\$ 2,427</u>	<u>\$ 428</u>	<u>\$14,654</u>	<u>\$29,820</u>

Provision for uncollectible accounts receivable amounted to \$14,487 at June 30, 1928.

NOTE #7: COMMITMENTS AND CONTINGENCIES

The District has been approved by the State Bond Commission to issue \$295,000 of water revenue bonds for the purpose of acquiring and constructing improvements and extensions to the waterworks system. These bonds have not been issued nor has construction begun as of the date of this report. The bonds, when issued, will have a maturity date not to exceed thirty years and an interest rate not to exceed six percent per annum. The construction project is expected to total \$750,861. A grant for \$450,800 from the United States Department of Agriculture has been approved to pay for the balance of the construction costs.

PHIL T. GRAHAM

CERTIFIED PUBLIC ACCOUNTANT

7730 GOODWOOD BOULEVARD, SUITE F - BATON ROUGE, LOUISIANA 70805
TELEPHONE: 504/928-4885 FAX: 504/928-4886

September 26, 1988

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Waterworks District #7 of
East Feliciana Parish
Clinton, Louisiana 70722

My report on my audit of the general purpose financial
statement of

WATERWORKS DISTRICT #7
OF EAST FELICIANA PARISH

As of and for the year ended June 30, 1988, appears on Page 1.
That audit was made for the purpose of forming an opinion on the
basic general purpose financial statement taken as a whole. The
supplementary information and statistical data on pages 18 through
21 is presented for purposes of additional analysis and is not a
required part of the general purpose financial statements of
Waterworks District #7 of East Feliciana Parish. This information
has not been subjected to the auditing procedures applied in the
audit of the general purpose financial statements, and accordingly,
I express no opinion on it.



WATERWORKS DISTRICT NO. 1
OF EAST CALIFORNIA PARISH
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES AND EXPENSES
PERCENTAGE OF TOTAL OPERATING REVENUE
FOR THE YEAR ENDED JUNE 30, 1958

	<u>AMOUNT</u>	<u>PERCENTAGE OF TOTAL OPERATING REVENUE</u>
OPERATING REVENUE		
Water Sales	\$ 123,587	95.6
Late fees	<u>1,274</u>	<u>1.4</u>
Total	<u>124,861</u>	<u>100.0</u>
OPERATING EXPENSES		
Advertising	1,008	.8
Bank charges	124	.1
Bill processing and management fees	28,378	23.5
Board fees	3,488	2.8
Depreciation	29,058	24.0
Depos and subscriptions	304	.2
Insurance	2,354	2.0
Legal and professional	4,028	4.1
Miscellaneous	808	.6
Office supplies	198	.1
Repairs and Maintenance	13,914	11.9
Salaries	5,518	4.5
Taxes and licenses	138	.1
Travel	262	.2
Utilities	<u>12,824</u>	<u>10.3</u>
	<u>98,882</u>	<u>81.1</u>
NET OPERATING INCOME (LOSS)	<u>25,979</u>	<u>20.8</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	439	.5
Bad debts	(288)	(.2)
Interest expense	<u>(22,352)</u>	<u>(18.3)</u>
	<u>(22,201)</u>	<u>(18.2)</u>
NET LOSS	<u>(622)</u>	<u>(.5)</u>

See auditor's report on supplementary information.

**WATERWORKS DISTRICT #7
OF EAST FLOREIDA FLORIDA
SUPPLEMENTARY INFORMATION
STATISTICAL DATA
JUNE 30, 1922**

<u>MONTH</u>	<u>NUMBER OF CUSTOMERS</u>	<u>GALLONS CONSUMED</u>	<u>AMOUNT</u>
July	512	3,324.6	\$ 12,772
August	512	3,614.8	12,192
September	527	3,873.5	9,432
October	528	3,969.9	9,614
November	519	3,669.1	7,877
December	528	3,578.8	8,075
January	525	4,424.8	8,882
February	528	3,814.7	8,194
March	528	3,828.7	8,257
April	528	3,128.3	8,622
May	522	3,987.1	9,812
June	526	3,252.4	11,148
<u>Total</u>		<u>48,704.4</u>	<u>214,922</u>
AVERAGE	524		

See auditor's report on supplementary information.

WATERBURY DISTRICT #7
OF EAST LULUCLAMA PARISH
SUPPLEMENTARY INFORMATION
SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 1990

<u>NUMBER</u>	<u>EXPIRATION DATE</u>	<u>COMPANY AND COVERAGE</u>	<u>AMOUNT</u>
070002000	5/5/88 - 5/5/99	Gallard General Agency, Inc. General Liability Insurance Average Limit Each Occurrence Limit Fire Damage Limit Medical Expense Limit	\$ 600,000 \$ 100,000 \$ 50,000 \$ 1,000
08000800	2/18/99	Western Surety Company Fidelity Bond	\$ 20,000
00000000	12/3/87 - 12/3/98	Gallard General Agency, Inc. Property (Business/personal) Damage Aggregate Limit	\$ 35,000
22000-1	5/5/88	Louisiana Worker's Compensation Corp. Workers Compensation	Statutory

See auditor's report on supplementary information.

WATERWORKS DISTRICT #2
OF EAST FELICIANA PARISH
SUPPLEMENTAL INFORMATION
STATISTICAL DATA
JUNE 30, 1988

JUNE 30,

	1988	1987	1986	1985
Operating Revenues	\$120,861	\$106,489	\$100,600	\$ 91,296
Operating Expenses	98,862	88,528	102,443	18,448
Operating Income (Loss)	22,000	17,961	(1,843)	(7,152)
Nonoperating Revenues	639	824	836	845
Nonoperating Expenses	(23,882)	(22,398)	(25,925)	(22,188)
NET INCOME (LOSS)	1,787	(1,653)	(26,514)	(28,652)

OTHER DATA:

Property, plant and equipment (net)	605,579	664,474	876,862	854,950
Net Working Capital	158,500	(21,373)	(23,512)	15,813
Total Assets	964,079	823,429	824,931	824,800
Bonds and Other long-term liabilities	342,502	346,983	350,654	354,947
Total equity	621,577	523,587	527,350	553,764
Average # of Customers	520	498	493	488
Total cubic Feet of Water (MCF)	46,374.4	36,315.3	38,393.6	33,978.2
Number of Residential Users:	550			
Number of Commercial Users:	6			
Number of Commercial users With 3/4" Meters:	6			

See auditor's report on supplementary information.

PHIL T. GRAHAM

CERTIFIED PUBLIC ACCOUNTANT

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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

September 28, 1998

Waterworks District #7 of
East Feliciana Parish
Clifton, Louisiana

I have audited the financial statements of Waterworks District #7 of East Feliciana Parish as of and for the year ended June 30, 1998, and have issued my report thereon dated September 25, 1998. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether Waterworks District #7 of East Feliciana Parish's financial statements are free of material misstatement, I 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 these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered Waterworks District #7 of East Feliciana Parish's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could

Waterworks District #7 of
East Feliciana Parish
September 29, 1988
Page 2

adversely affect Waterworks District #7 of East Feliciana Parish's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 4.

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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Directors of Waterworks District #7 of East Feliciana Parish, East Feliciana Parish Police Jury, United States Department of Agriculture and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



METTERWORKS DISTRICT #1
OF EAST FELICIANA PARISH
SUMMARY OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 1988

SECTION I. SUMMARY OF AUDIT REPORTS:

a. Report on Internal Control and Compliance Material to the Financial Statements

1. There were no material weaknesses reported.
2. The following reportable conditions were reported:

FF-1. Management Company's lack of internal control: The management company that the District contracts with to operate the system does not have the number of personnel necessary to have separation of duties in the customer billing process. The same person collects payments, if bills are paid in person, posts payments to customer accounts, processes customer bills and makes any necessary adjustments to customer bills. This was also a reportable condition in previous years.

Management's Response:

We have no control over the internal controls which are practiced by the management company. We have been trying to locate an alternative billing arrangement, but have been unable to locate any viable alternative at this time. We are continuing to investigate our options.

FF-2. Audit not performed in required time period: In the prior year, the audit was not obtained within three months after the close of the fiscal year as required by The United States Department of Agriculture loan agreement. This finding did not affect the financial statements and was remedied in the current year.

FF-1. Consistent billing period: In a prior year the management company was inconsistent in billing the District's customers. The period between billing dates varied up to almost two months. This affected the District's cash flow. In the current year the problem has been resolved and customers are being billed on a consistent monthly basis.

3. No instances of noncompliance material to the financial statements of the Metterworks District #0 of East Feliciana Parish were disclosed during the audit.

WATKINSON DISTRICT #7
OF EAST FELICIANA PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 1978
(Continued)

b. Federal Awards

1. There were no major federal programs.

SECTION II: FINANCIAL STATEMENT FINDINGS

None

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

N/A

SECTION IV: MANAGEMENT LETTER

None in current year.

PHIL T. GRAHAM

CHIEF, PUBLIC ACCOUNTANT

2710 GOODWOOD BOULEVARD, SUITE F • EASTON BOULE, LOUISIANA 70806
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September 25, 1998

Legislative Auditor:

I have audited the financial statements of Waterworks District #7 of East Feliciana Parish as of and for the year ended June 30, 1998, and have issued my report thereon dated September 25, 1998. I conducted my 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. My audit of the financial statements as of June 30, 1998 resulted in an unqualified opinion.

SECTION 1. SUMMARY OF AUDIT REPORTS:

a. Report on Internal Control and Compliance Material to the Financial Statements:

1. There were no material weaknesses reported.
2. The following reportable conditions were reported:

3E1. Management Company's lack of internal control: The management company that the District contracts with to operate the system does not have the number of personnel necessary to have separation of duties in the customer billing process. The same person collects payments, if bills are paid in person, posts payments to customer accounts, processes customer bills and makes any necessary adjustments to customer bills. This was also a reportable condition in previous years.

Management's Response:

We have no control over the internal controls which are practiced by the management company. We have been trying to initiate an alternative billing arrangement, but have been unable to locate any viable alternative at this time. We are continuing to investigate our options.

3E2. Audit not performed in required time period: In the prior year, the audit was not obtained within three months after the close of the fiscal year as required by The United States Department of Agriculture loan agreement. This finding did not affect the financial statements and was remedied in the current year.

3E-3. Consistent billing period: In a prior year the management company was inconsistent in billing the District's customers. The period between billing dates varied up to almost two months. This affected the District's cash flow. In the current year the problem has been resolved and customers are being billed on a consistent monthly basis.

3. No instances of noncompliance material to the financial statements of the Waterworks District #7 of East Feliciana Parish were disclosed during the audit.

b. Federal Awards:

1. There were no major federal programs.

SECTION II: FINANCIAL STATEMENT FINDINGS

None

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

N/A

SECTION IV: MANAGEMENT LETTER

None in current year.