

RECEIVED  
LEGISLATIVE AUDITOR  
99 JUN 18 AM 10:31

**OFFICIAL  
FILE COPY**  
**DO NOT SEND OUT**

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

CAMERON PARISH WATERWORKS  
DISTRICT NO. 11

FINANCIAL STATEMENTS

For the year ended  
December 31, 1998

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 6-23-99

## CONTENTS

	<u>Page No.</u>
UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS-GOVERNMENTAL ENTITY	1 - 2
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	3 - 4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	5 - 6
BALANCE SHEET -- EXHIBIT A	7
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS - EXHIBIT B	8
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL	9
STATEMENTS OF CASH FLOWS - EXHIBIT D	10
NOTES TO FINANCIAL STATEMENTS	11 - 18
SUPPLEMENTARY INFORMATION	
Schedule 1 - Compensation of Board Members	20
Schedule 2 - Schedule of Prior Year Findings	21
Schedule 3 - Management's Corrective Action Plan	22
REQUIRED SUPPLEMENTAL INFORMATION - YEAR 2000 SUPPLEMENTARY INFORMATION	23

# ELLIOTT & ASSOCIATES, INC.

*A Professional Accounting Corporation*

P. O. Box 1287

Icesville, Louisiana 71496-1287

(318) 239-2535  
(318) 238-5135  
Fax 239-2295

W. Micheal Elliott, CPA

## UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS-GOVERNMENTAL ENTITY

### INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Cameron Parish Waterworks District No. 11

I have audited the accompanying general-purpose financial statements of the Cameron Parish Waterworks District No. 11, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Cameron Parish Waterworks District No. 11'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 audits 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 the Cameron Parish Waterworks District No. 11 as of and for the year ended December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 1, 1999, on my consideration of the Cameron Parish Waterworks District No. 11's internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants.

The year 2000 supplementary information on page 23 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and the presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the Cameron Parish Waterworks District No. 11 is or will become year 2000 compliant, that the District's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the District does business are or will become year 2000 compliant.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of the District taken as a whole. The accompanying schedules, as listed in the table of contents, 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 audit of the basic financial statements and, in my opinion, is fairly state, in all material respects, in relation to the basic financial statements taken as a whole.

*Elliott & Assoc, "APAC"*

Leesville, Louisiana  
June 1, 1999



# ELLIOTT & ASSOCIATES, INC.

*A Professional Accounting Corporation*

P. O. Box 1287

Leesville, Louisiana 71496-1287

(318) 239-2535  
(318) 238-5135  
Fax 239-2295

W. Micheal Elliott, CPA

## 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 Commissioners  
Cameron Parish Waterworks District No. 11

I have audited the financial statements of the Cameron Parish Waterworks District No. 11 as of and for the year ended December 31, 1998, and have issued my report thereon dated June 1, 1999. 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 the Cameron Parish Waterworks District No. 11'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 those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered the Cameron Parish Waterworks District No. 11'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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

)

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

*Elliott & Assoc. "APAC"*

Leesville, Louisiana  
June 1, 1999

Cameron Parish Waterworks District No. 11  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended December 31, 1998

I have audited the financial statements of Cameron Waterworks District No. 11 as of and for the year ended December 31, 1998, and have issued my report thereon dated June 1, 1999. 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 December 31, 1998 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

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

Internal Control

Material Weaknesses ( ) Yes (X) No  
Reportable Conditions ( ) Yes (X) No

Compliance

Compliance Material to Financial  
Statements ( ) Yes (X) No

*b. Federal Awards*

Internal Control

Material Weaknesses ( ) Yes ( ) No (X) N/A  
Reportable Conditions ( ) Yes ( ) No (X) N/A

Type of Opinion On Compliance For Major Programs

Unqualified ( ) Qualified ( )  
Disclaimer ( ) Adverse ( )  
N/A (X)

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

( ) Yes ( ) No (X) N/A

c. Identification of Major Programs

CFDA Number(s)                      Name of Federal Program

None

None

Dollar threshold used to distinguish between Type A and Type B Programs:                      \$ N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?  
( ) Yes            ( ) No            (X) N/A

**Section II Financial Statement Findings**

N/A

**Section III Federal Award Findings and Questioned Costs**

N/A

See independent auditor's report.



CAMERON PARISH WATERWORKS DISTRICT NO. 11

BALANCE SHEET

December 31, 1998

ASSETS

Current assets:

Cash (Note 2)	\$ 72,083
Cash equivalents (Note 2)	295,000
Receivables:	
Ad valorem taxes (Note 3)	52,596
Accounts (Note 3)	9,394
Prepaid insurance	2,207
Inventory, at cost	<u>8,411</u>

Total current assets 439,691

Restricted assets:

Cash (Notes 2 and 9)	5,878
Customer deposits	5,947
Ad valorem taxes receivable (Note 3)	<u>5,372</u>

Total restricted assets 17,197

Fixed assets (Note 4):

Land	10,000
Improvements other than land	1,922,270
Furniture, fixtures, and equipment	100,830
Construction-in-progress	92,449
Less: accumulated depreciation	<u>(733,607)</u>

Fixed assets (net of accumulated depreciation) 1,391,942

Total assets \$1,848,830

See accompanying notes and accountant's report.

Exhibit A

LIABILITIES AND EQUITY

Current liabilities:	
Accounts payable	\$ 10,370
Payroll taxes payable	---
Sales taxes payable	349
Retirement deductions payable	<u>1,767</u>
Total current liabilities	<u>12,486</u>
Current liabilities payable from restricted assets:	
Retirement deductions payable	219
Customer deposits payable	5,947
Accrued interest payable (Note 5)	896
General obligation bonds payable--current (Note 5)	<u>5,000</u>
Total current liabilities payable from restricted assets	<u>12,062</u>
Long-term liabilities:	
General obligation bonds payable (net of current portion)--(Note 5)	<u>15,000</u>
Total liabilities	<u>39,548</u>
Equity:	
Contributed capital (Note 6)	<u>605,647</u>
Retained earnings:	
Reserved for general obligation bond indentures :	5,136
Unreserved	<u>1,198,499</u>
Total retained earnings	<u>1,203,635</u>
Total equity	<u>1,809,282</u>
Total liabilities and equity	<u>\$1,848,830</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Statement of Revenues, Expenses and  
Changes in Retained Earnings

For the year ended December 31, 1998

Operating revenues:	
Charges for sales and services:	
Water sales	\$ 155,140
Water tap fees	5,690
Delinquent charges	475
Installation charges	<u>900</u>
Total operating revenues	<u>162,205</u>
Operating expenses:	
Salaries and related benefits	76,875
Per diem of board members	4,080
Operation of plant	67,934
Depreciation	<u>56,122</u>
Total operating expenses	<u>205,011</u>
Operating income (loss)	<u>(42,806)</u>
Nonoperating revenues (expenses):	
Ad valorem taxes (Note 3)	57,669
Interest income	19,614
Interest expense (Note 5)	(2,240)
Loss on disposal of asset	<u>(313)</u>
Total nonoperating revenues (expenses)	<u>74,730</u>
Net income (loss)	31,924
Add depreciation on assets acquired through contributed capital	<u>22,691</u>
Increase in retained earnings	54,615
Retained earnings, January 1	<u>1,149,020</u>
Retained earnings, December 31	<u>\$1,203,635</u>

See accompanying notes and accountant's report.

Exhibit C

CAMERON PARISH WATERWORKS DISTRICT NO. 11  
Statement of Revenues, Expenses and  
Changes in Retained Earnings - Budget and Actual  
For the year ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating revenues:			
Charges for sales and services:			
Water sales	\$ 150,000	\$ 155,140	\$ 5,140
Water tap fees	6,000	5,690	(310)
Delinquent charges	4,000	475	(3,525)
Installation charges	---	900	900
Total operating revenues	<u>160,000</u>	<u>162,205</u>	<u>2,205</u>
Operating expenses:			
Salaries and related benefits	77,130	76,875	255
Per diem of board members	4,000	4,080	(80)
Operation of plant	58,685	67,934	(9,249)
Depreciation	55,000	56,122	(1,122)
Total operating expenses	<u>194,815</u>	<u>205,011</u>	<u>(10,196)</u>
Operating income (loss)	<u>(34,815)</u>	<u>(42,806)</u>	<u>(7,991)</u>
Nonoperating revenues (expenses):			
Ad valorem taxes (Note 3)	52,831	57,669	4,838
Interest income	20,000	19,614	(386)
Interest expense (Note 5)	---	(2,240)	(2,240)
Loss on disposal of asset	---	(313)	(313)
Total nonoperating revenues (expenses)	<u>72,831</u>	<u>74,730</u>	<u>1,899</u>
Net income (loss)	38,016	31,924	(6,092)
Add depreciation on assets acquired through contributed capital	<u>22,691</u>	<u>22,691</u>	<u>---</u>
Increase in retained earnings	60,707	54,615	(6,092)
Retained earnings, January 1	<u>1,149,020</u>	<u>1,149,020</u>	<u>---</u>
Retained earnings, December 31	<u>\$1,209,727</u>	<u>\$1,203,635</u>	<u>\$ (6,092)</u>

See accompanying notes and accountant's report.

## CAMERON PARISH WATERWORKS DISTRICT NO. 11

## Statement of Cash Flows

For the year ended December 31, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ (42,806)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	56,122
Changes in assets and liabilities	
Accounts receivable	(151)
Other current assets	(372)
Accounts payable	8,351
Other current liabilities	98
Retirement deductions payable	(17)
Customer deposits	<u>1,064</u>
Net cash provided by operating activities	<u>22,289</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Ad valorem taxes	<u>50,144</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Ad valorem taxes	5,685
Acquisition of property, plant and equipment	(95,736)
Payments of revenue bonds and other indebtedness	(5,000)
Interest paid on long-term debt	<u>(2,688)</u>
Net cash (used) by capital financing activities	<u>(97,739)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>19,614</u>
Increase in cash	(5,692)
CASH, BEGINNING OF YEAR	<u>384,600</u>
CASH, END OF YEAR	<u>\$378,908</u>
CLASSIFIED AS	
Current Assets	\$367,083
Restricted Assets	<u>11,825</u>
Totals	<u>\$378,908</u>

See accompanying notes and accountant's report.



CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to the Financial Statements

December 31, 1998

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cameron Parish Police Jury is a political subdivision of the State of Louisiana. Cameron Parish Police Jury is the reporting entity for Cameron Parish as defined by NCGA Statement 3, (Defining the Governmental Reporting Entity).

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transaction of state and local governments. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local governments.

Cameron Parish Waterworks District No. 11 "District" is a component unit of Cameron Parish Police Jury as defined by GASB codification Section 2100. The District was created by the Cameron Parish Police Jury as authorized by Louisiana Revised Statutes 33:3811-21. The District is governed by a board of five commissioners appointed by the Cameron Parish Police Jury, who are responsible for providing water service within the boundaries of the district. In addition to the above the district is required by Louisiana Revised Statutes 24:514 to report annually by June 30 to the Legislative Auditor.

A. FUND ACCOUNTING

Cameron Parish Waterworks District No. 11 is organized and operated on a fund basis as a Proprietary Fund Type-Enterprise Fund. In an enterprise fund the accrual basis of accounting is utilized and revenues are recognized when earned and expenses are recognized when incurred. 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 the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and ad valorem taxes.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to the Financial Statements (Continued)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

B. CASH AND CASH EQUIVALENTS

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits, with maturities of three months or less.

C. ACCOUNTS RECEIVABLE WRITE-OFF METHOD

The District has adopted a write off policy wherein any account that is deemed uncollectible is written off directly when the account's collection efforts have been deemed unsuccessful.

D. FIXED ASSETS AND LONG-TERM LIABILITIES

The fixed assets and long-term liabilities of the waterworks district are accounted for on the balance sheet of the Enterprise Fund. The fixed assets of the district as shown on the balance sheet are recorded at historical cost. Depreciation is computed by the straight line method based on the estimated useful life of the individual assets.

E. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Proprietary funds follow GAAP prescribed by the Governmental Accounting Standards Board and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets 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.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to the Financial Statements (Continued)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

F. BUDGETARY PRACTICE

The Cameron Parish Waterworks District No. 11 utilizes the following budgetary practice:

Annually the District adopts a budget for the Enterprise Fund as a management device for control of revenues and expenses. The budget is amended at various times during the year as the need arises.

G. INVESTMENTS

Investments are stated at cost. These investments are time deposits which are fully secured through the pledge of bank-owned securities or federal deposit insurance.

H. INVENTORY

Inventories are valued at cost. Inventories in the Enterprise Fund consist of expendable supplies held for use in repairs and extending water mains of the waterworks district. The cost is recorded as an expense at the time the item is purchased. At year end the physical inventory is adjusted to expenses and carried on the balance sheet as a current asset.

I. VACATION AND SICK LEAVE

The Cameron Parish Waterworks District No. 11 has the following policy related to vacation and sick leave:

Employees of the District accrue from 5 to 25 days annual leave each year depending on length of service. Upon resignation or retirement, unused annual leave up to a maximum of \$1,200 is paid to the employee at the employee's current rate of pay. In addition, employees of the District accrue from 12 to 18 days of sick leave each year depending on length of service. Upon resignation or retirement, unused sick leave is forfeited.



CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to the Financial Statements (Continued)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

J. CONTRIBUTED CAPITAL

Contributed capital is amortized on a straight-line basis over the respective asset life to which the asset relates.

NOTE 2--CASH AND INVESTMENT COLLATERAL

Under state law, the District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in United States bonds, treasury notes, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment.

At December 31, 1998, the District had cash and investments as follows:

	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
Cash (demand deposits) and certificate of deposit	<u>\$367,083</u>	<u>\$ 11,825</u>	<u>\$378,908</u>

At year end, the carrying amount of the District's deposits (demand deposits and certificates of deposit) were \$378,908, and the bank balances were \$378,859. A summary of collateralization of bank balances is presented below.

Insured (Federal deposit insurance)	\$183,859
Uncollateralized (In accordance with GAAP - See below)	<u>195,000</u>
	<u>\$378,859</u>

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 at least equal the amount on deposit with the fiscal agent.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to the Financial Statements (Continued)

NOTE 2--CASH AND INVESTMENT COLLATERAL (Continued)

The uncollateralized amount shown above is secured by pledged securities with a market value of \$278,258 held in the name of the pledging fiscal agent banks in holding or custodial banks. Even though the pledged securities are considered uncollateralized under GAAP, Louisiana Revised Statutes impose a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3--RECEIVABLES

Receivables at December 31, 1998 consist of the following:

Ad valorem taxes--unrestricted	\$ 52,596
Ad valorem taxes--restricted	5,372
Accounts	<u>9,394</u>
Net total receivables	<u>\$ 67,362</u>

The amount included in the ad valorem receivable on the balance sheet is for ad valorem taxes which attach as an enforceable lien on property as of January 1 of each year. Taxes are levied to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The District utilizes the Cameron Parish Tax Collector/Sheriff to bill and collect its property taxes using the assessed values determined by the tax assessor of Cameron Parish.

For the year ended December 31, 1998, taxes of 6.80 mills were levied on property with assessed valuation totaling \$9,199,427 and were dedicated to the General Fund.

Taxes were levied upon a total assessed valuation of \$9,199,427. The total amount levied was \$62,556. Furthermore, collections of delinquent taxes and other adjustments resulted in total collections of \$57,669.



CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to the Financial Statements (Continued)

Note 4--CHANGES IN FIXED ASSETS

Fixed assets are recorded at cost less accumulated depreciation. Depreciation is calculated by the straight-line method over the estimated useful life of the various classes of assets.

The following is a summary of changes in fixed assets as of December 31, 1998:

	<u>Land</u>	<u>Improvements other than land</u>	<u>Furniture, fixtures, &amp; equipment</u>	<u>Total</u>
Balance 12/31/97	\$10,000	\$1,922,270	\$98,921	\$2,031,191
Additions	---	---	3,287	3,287
Deletions	---	---	(1,378)	(1,378)
Balance 12/31/98	10,000	1,922,270	100,830	2,033,100
Less: Accumulated depreciation	---	(651,404)	(82,203)	(733,607)
Net fixed assets 12/31/98	<u>\$10,000</u>	<u>\$1,270,866</u>	<u>\$18,627</u>	<u>\$1,299,493</u>

The following estimated useful lives are used to compute depreciation:

Improvements other than land	40 years
Furniture, fixtures, and equipment	3 - 10 years

The District also had \$92,449 in construction-in-progress at December 31, 1998 related to the construction of a new water district office which was actually placed in service in May 1999. Depreciation will be computed beginning in 1999.

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to the Financial Statements (Continued)

NOTE 5--CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Cameron Parish Waterworks District No. 11 for the year ended December 31, 1998:

	<u>General Obligation Bonds</u>
Bonds payable, 12/31/97	\$ 25,000
Bonds retired	(5,000)
Bonds payable, 12/31/98	<u>\$ 20,000</u>

Bonds payable at December 31, 1998 are comprised of the following individual issues:

General obligation bonds:	
\$663,000 of General Obligation	
Bonds dated August 1, 1982; due	
in annual installments of \$5,000	
to \$95,000 through August 1, 2002;	
interest at 10.25% - 12.75%	<u>\$ 20,000</u>

The annual requirements to amortize all general obligation bonds outstanding as of December 31, 1998, including interest payments of \$5,375 are as follows:

<u>Year Ending</u>	
1999	\$ 7,150
2000	6,613
2001	6,075
2002	<u>5,537</u>
Total	<u>\$ 25,375</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Notes to the Financial Statements (Continued)

NOTE 6--CONTRIBUTED CAPITAL

Changes during the year ended December 31, 1998 in the contributed capital account are as follows:

Balance, 12/31/97	\$628,338
Depreciation of assets acquired by contributed capital	<u>..(22,691)</u>
Balance, 12/31/98	<u>\$605,647</u>

NOTE 7--RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

	LIMITS OF COVERAGE
Workmen's compensation	\$ 350,000
Auto liability	1,000,000
Commercial general liability	2,000,000
District-owned buildings and equipment	NONE

The District covers all other losses, claim settlements, and judgments from operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The District was not involved in any litigation nor did it have asserted claims lodged against it.

SUPPLEMENTARY INFORMATION

CAMERON PARISH WATERWORKS DISTRICT NO. 11

Schedule of Compensation of Board Members

For the year ended December 31, 1998

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Legislature.

As provided by Louisiana Revised Statute 33:4564, the board members received \$60 per diem for attendance at meetings of the board.

	<u>1998</u>	
	<u>Number</u>	
	<u>Attended</u>	<u>Amount</u>
Lynn Berry	16	\$ 960
Richard Poole	10	600
Harold Savoie	13	780
Brent Nunez	16	960
Gerald Richard	<u>13</u>	<u>780</u>
Totals	<u>68</u>	<u>\$4,080</u>

See independent auditor's report.



Cameron Parish Waterworks District No. 11  
SCHEDULE OF PRIOR YEAR FINDINGS

For the Fiscal Year Ended December 31, 1998

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

The audit report for the year ended December 31 1997, contained a finding related to the report not being issued within the six months of the close of its' December 31, 1997 year-end. This was a violation of LA R.S. #24:513 (A)(5)(a), but did not effect the financial statements. The current year report will be issued to the Legislative Auditor within the statutory period.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS**

There were no prior year findings relating to internal control and compliance material to federal awards.

**SECTION III MANAGEMENT LETTER**

There was no management letter with prior year audit report.

See independent auditor's report.

Cameron Parish Waterworks District No. 11  
MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Fiscal Year Ended December 31, 1998

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENT

N/A

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS

N/A

SECTION III MANAGEMENT LETTER

N/A

See independent auditor's report.

Cameron Parish Waterworks District No. 11  
Required Supplemental Information  
Year 2000 Supplementary Information  
December 31, 1998

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the District's operations as early as fiscal year 1999.

The District has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting District operations and has identified such systems as being financial reporting, water accounts receivable, and cash receipts. The District relies on a vendor to provide these systems and for assessment, remediation, testing, and validation of these systems as being Year 2000 compliant.

The District's water billing hardware and software is now Year 2000 compatible; it's accounting records are still kept manually.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of the related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be Year 2000 ready.

See independent auditor's report.