

RECEIVED
LEGISLATIVE A
04 MAY 27 AM 1

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
ANNUAL FINANCIAL REPORT
YEARS ENDED DECEMBER 31, 2003 AND 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 6.9.04

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
GENERAL PURPOSE FINANCIAL STATEMENTS	
Balance Sheets, December 31, 2003 and 2002	3 - 6
Statements of Revenues, Expenses and Changes in Retained Earnings, Years Ended December 31, 2003 and 2002	7
Statements of Cash Flows, Years Ended December 31, 2003 and 2002	8 - 9
Notes to Financial Statements, December 31, 2003 and 2002	10 - 19
SUPPLEMENTAL INFORMATION	
Schedules of Operating Expenses, Years Ended December 31, 2003 and 2002	20
Schedule of Revenues and Expenses - Budget (GAAP Basis) and Actual, Year Ended December 31, 2003	21 - 22
Schedule of Changes in Property, Plant and Equipment, Year Ended December 31, 2003	23 - 24
Schedule of Bonds Payable, December 31, 2003	25 - 26
Schedule of Insurance in Force, December 31, 2003 (Unaudited)	27 - 28
Bond Maturity Schedules	
General Obligation Bonds, 1997 Series, December 31, 2003	29
Water Revenue Bonds, 2002 Series, December 31, 2003	30
Schedule of Information Required by Rural Development, Year Ended December 31, 2003	31
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	32 - 33

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

GLYNN R. DYER, CPA (APC)
ERIC J. VICKNAIR, CPA (APC)

INDEPENDENT AUDITORS' REPORT

FAX (225) 292-1041

Consolidated Waterworks District No. 13
West Feliciana Parish Police Jury
St. Francisville, Louisiana

We have audited the accompanying general purpose financial statements of

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

a component unit of West Feliciana Parish Police Jury, as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana as of December 31, 2003 and 2002, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated May 11, 2004 on our consideration of Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana's internal control over financial reporting and test of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

(SEND ALL CORRESPONDENCE TO THE BATON ROUGE ADDRESS)

2933 BRAKLEY DRIVE - SUITE B
864 FERDINAND STREET

BATON ROUGE, LOUISIANA 70816
ST. FRANCISVILLE, LOUISIANA 70775

(225) 292-1040
(225) 635-4204

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

St. Francisville, Louisiana
May 11, 2004

Dyer & Vicknair

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
BALANCE SHEETS
DECEMBER 31, 2003 AND 2002

	December 31,	
	2003	2002
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 151,808	\$ 65,332
Investments	148,773	176,883
Receivables		
Accounts, net of allowance for uncollectables of \$ 4,720 and \$ 2,895	147,430	93,573
Intergovernmental	34,295	65,000
Prepaid insurance	10,392	10,601
<u>Total current assets</u>	<u>492,698</u>	<u>411,389</u>
 <u>RESTRICTED ASSETS</u>		
Cash		
Revenue bond and interest sinking account	16,429	17,406
Reserve account	44,396	35,564
Contingency account	55,463	45,863
Public improvement bond account	1,014	4,402
Investments		
Louisiana Asset Management Pool, Inc.	193,091	133,014
Receivables		
Ad valorem taxes	9,312	122,453
<u>Total restricted assets</u>	<u>319,705</u>	<u>358,702</u>
 <u>PROPERTY, PLANT AND EQUIPMENT</u>		
Property, plant and equipment	7,645,041	7,425,335
Less: depreciation to date	3,086,145	2,862,712
<u>Net property, plant and equipment</u>	<u>4,558,896</u>	<u>4,562,623</u>

	December 31,	
	<u>2003</u>	<u>2002</u>
<u>LIABILITIES AND FUND EQUITY</u>		
<u>CURRENT LIABILITIES (payable from current assets)</u>		
Accounts payable	\$ 75,208	\$ 52,352
Retainage payable	6,681	-0-
Intergovernmental payable	13,713	13,713
Customers security deposits	<u>121,614</u>	<u>120,314</u>
<u>Total current liabilities (payable from current assets)</u>	<u>217,216</u>	<u>186,379</u>
<u>CURRENT LIABILITIES (payable from restricted assets)</u>		
General obligation bonds payable	54,000	50,000
Revenue bonds payable	45,955	44,545
Accrued interest payable	<u>14,404</u>	<u>15,533</u>
<u>Total current liabilities (payable from restricted assets)</u>	<u>114,359</u>	<u>110,078</u>
<u>LONG-TERM LIABILITIES</u>		
Compensated absences payable	7,038	12,316
General obligation bonds payable	626,000	680,000
Revenue bonds payable	<u>2,538,886</u>	<u>2,585,484</u>
<u>Total long-term liabilities</u>	<u>3,171,924</u>	<u>3,277,800</u>
<u>Total liabilities</u>	<u>3,503,499</u>	<u>3,574,257</u>
<u>FUND EQUITY</u>		
Contributed capital		
Government	939,251	939,251
Customers and developers	<u>177,500</u>	<u>177,500</u>
	1,116,751	1,116,751
Less: amortization to date	<u>585,503</u>	<u>561,522</u>
<u>Net contributed capital</u>	<u>531,248</u>	<u>555,229</u>

(Continued)

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
BALANCE SHEETS
DECEMBER 31, 2003 AND 2002
 (Continued)

	December 31,	
	2003	2002
<u>Total assets</u>	<u>\$ 5,371,299</u>	<u>\$ 5,332,714</u>

	December 31,	
	<u>2003</u>	<u>2002</u>
Retained earnings		
Reserved for revenue bond retirement	\$ 64,266	\$ 72,620
Reserved for general obligation bond retirement	100,199	211,192
Reserved for renewal and replacement	84,811	74,888
Unreserved	<u>1,087,276</u>	<u>844,528</u>
<u>Total retained earnings</u>	<u>1,336,552</u>	<u>1,203,228</u>
<u>Total fund equity</u>	<u>1,867,800</u>	<u>1,758,457</u>
<u>Total liabilities and fund equity</u>	<u>5,371,299</u>	<u>5,332,714</u>

The accompanying notes are an integral part of this statement.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
YEARS ENDED DECEMBER 31, 2003 AND 2002

	Year Ended December 31,	
	2003	2002
<u>OPERATING REVENUES</u>		
Charges for sales	\$ 1,066,976	\$ 785,004
Delinquent charges	44,958	29,579
Connection charges	3,710	7,477
Meter installation	20,341	19,732
DHH charges	10,060	9,835
Hydrant rental	32,750	32,015
<u>Total operating revenues</u>	1,178,795	883,642
<u>OPERATING EXPENSES</u>		
Depreciation	223,433	210,137
All other	742,227	663,057
<u>Total operating expenses</u>	965,660	873,194
<u>Operating income</u>	213,135	10,448
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest revenue	3,917	6,257
Ad valorem taxes	42,871	124,411
Intergovernmental revenues	2,160	89,387
Gain on disposal of fixed assets	-0-	50
Miscellaneous revenues	31,588	5,894
Interest expense	(182,503)	(187,054)
Uncollectible accounts	(1,825)	(2,670)
<u>Total nonoperating revenues (expenses)</u>	(103,792)	36,275
<u>NET INCOME</u>	109,343	46,723
Add depreciation on property and equipment acquired by grants externally restricted for capital acquisitions and construction	23,981	23,981
<u>NET INCOME</u>	133,324	70,704
<u>RETAINED EARNINGS, beginning</u>	1,203,228	1,132,524
<u>RETAINED EARNINGS, ending</u>	1,336,552	1,203,228

The accompanying notes are an integral part of this statement.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2003 AND 2002

	Year Ended December 31,	
	2003	2002
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Operating income	\$ 213,135	\$ 10,448
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	223,433	210,137
Uncollectible accounts	(1,825)	(2,670)
(Increase) decrease in		
Receivables	(23,162)	47,086
Prepaid insurance	209	(5,361)
Taxes receivable	113,141	(107,741)
Increase (decrease) in		
Accounts payable	22,997	(6,338)
Retainage payable	6,681	-0-
Customers security deposits	1,300	(1,215)
Compensated absences payable	(5,278)	7,213
Accrued interest payable	(1,129)	(1,045)
	<u>549,502</u>	<u>150,514</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Ad valorem tax received	42,871	124,411
Intergovernmental revenues	2,160	89,387
Gain on disposal of fixed assets	-0-	50
Miscellaneous revenue	31,336	5,894
	<u>76,367</u>	<u>219,742</u>
<u>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES</u>		
Purchase of plant, property and equipment	(219,706)	(165,624)
Principal paid on bond maturities	(95,188)	(88,819)
Interest paid on bond maturities	(182,382)	(187,054)
	<u>(497,276)</u>	<u>(441,497)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Sale (purchase) of investments	(31,967)	82,990
Interest on investments	3,917	6,257
	<u>(28,050)</u>	<u>89,247</u>

(Continued)

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2003 AND 2002
 (Continued)

	Year Ended December 31,	
	<u>2003</u>	<u>2002</u>
<u>NET INCREASE IN CASH</u>	\$ 100,543	\$ 18,006
<u>CASH AT BEGINNING OF YEAR</u>	<u>168,567</u>	<u>150,561</u>
<u>CASH AT END OF YEAR</u>	<u>269,110</u>	<u>168,567</u>

The accompanying notes are an integral part of this statement.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

INTRODUCTION

The Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana, was created by the West Feliciana Parish Police Jury under Louisiana Revised Statute 33:7702. The District is governed by the West Feliciana Parish Police Jury. The District was created to provide water resources to residents within the District.

Note #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying general purpose financial statements of Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental 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 West Feliciana Parish Police Jury is the financial reporting entity for West Feliciana Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organization 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.

Governmental Accounting Standards Board No. 14 established criteria for determining which component units should be considered part of West Feliciana Parish Police Jury 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. These criteria include:

1. Appointing a voting majority of an organization's governing body, and (a) the ability of the police jury to impose its will on that organization and/or (b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Because the police jury meets criteria (1) above, the Consolidated Waterworks District No. 13 is determined to be a component unit of West Feliciana Parish Police Jury, financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Consolidated Waterworks District No. 13 and do not present information on the Police Jury, the general government services provided by the Police Jury, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. The Enterprise Fund uses the following practices in recording certain revenues:

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed and become due on November 15 of each year and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest income is recorded when earned.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

E. Proprietary Activity Accounting

Activities of the district are recognized in conjunction with all pronouncements of the Financial Accounting Standards Board (FASB), unless those pronouncements conflict with or contradict GASB pronouncements.

F. Budgets and Budgetary Accounting

A budget is adopted on a basis consistent with generally accepted accounting principles.

G. Cash and Cash Equivalents and Investments

Cash includes amounts in interest-bearing demand deposits. For purposes of the statement of cash flows, the District considers all time deposits and investments (including restricted assets) with original maturities of ninety days or less to be cash. 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 amortized cost, which approximates market.

H. Receivables

Substantially all amounts presented are expected to be collected within one year. Uncollectible receivables are recognized as bad debts through the maintenance of an allowance account. All amounts known to be uncollectible have been charged off.

I. Prepaid Insurance

Payments made for insurance coverage that will benefit periods beyond December 31, 2003, are recorded as prepaid insurance.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

J. Restricted Assets

Certain proceeds of the revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond and interest sinking" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "reserve" account is used to report resources set aside to make up potential future deficiencies in the "revenue bond and interest sinking" account. The "contingency" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

Certain proceeds of the general obligation bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "bond and interest sinking" account is used to segregate resources accumulated for debt service.

K. Property, plant and equipment

Property, plant and equipment are included on the balance sheet of the fund at actual historical costs. Depreciation of property, plant and equipment is charged as an expense against operations. Depreciation is computed using the straight-line method over an estimated useful life of 40 years for the distribution system, 5 years for equipment, and 3 years for vehicles.

L. Compensated Absences

Vested or accumulated vacation leave is recorded as a fund liability and operating expense in the year earned.

In accordance with the provisions of Statement of Financial Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulated rights to receive sick pay benefits nor vacation leave.

M. Long-Term Liabilities

Long-term liabilities are recognized within the Enterprise Fund.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

N. Fund Equity

Contributed capital represents grants or contributions from governmental bodies, developers or customers. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such contributions. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

Reserves represent those portions of fund equity legally segregated for a specific future use.

Note #2: CASH

At December 31, 2003, the district has cash (book balances) totaling \$ 269,110, which is interest-bearing demand deposits.

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 pledge 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, 2003, the district has \$ 307,467 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$207,467 of pledged securities held by the custodial bank in the name of the fiscal agent (GASB Category 3).

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

Note #3: INVESTMENTS

Investments at December 31, 2003 are comprised of the Louisiana Asset Management Pool, Inc. which invests in United States government securities.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
 (Continued)

Investments are limited by law and the district's investment policies. The investments are secured from risk by the United States government. (Category 1 in applying the credit risk of GASB Codification Section 150:164).

At December 31, 2003, the investments' amortized cost and market value is \$ 341,864.

Note #4: PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment follows:

	December 31,	
	2003	2002
Land	\$ 34,133	\$ 34,133
Distribution system	7,238,886	7,114,101
Furniture and fixture	3,144	3,144
Equipment	187,648	182,423
Vehicles	101,663	89,422
Leasehold improvements	2,112	2,112
Construction in progress	77,455	-
	7,645,041	7,425,335
Less: depreciation to date	3,086,145	2,862,712
<u>Net</u>	4,558,896	4,562,623

Depreciation expense charged to operations for 2003 and 2002 are \$ 223,433 and \$210,137, respectively.

Note #5: BONDS PAYABLE

Bonds payable at December 31, 2003 are comprised of the following:

General Obligation Bonds

\$ 925,000 Refunding Bonds dated January 22, 1998, for the purpose of prepaying \$ 821,925 of outstanding General Obligation Refunding Bond, dated April 9, 1989; due in annual installments of \$ 10,000 - \$ 99,000 through April 1, 2017, with interest at 7.20% secured by an annual ad valorem tax levy.

\$ 686,000

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
 (Continued)

Revenue Bonds

\$ 2,600,000 Revenue Bond dated March 20, 1997, for the purpose of improving and extending the waterworks system; due in varying annual installments through 2037 with interest at 5% \$ 2,434,841

\$ 211,000 Refunding Bonds, Series 2002, dated April 1, 2001, for the purpose of prepaying and refunding \$ 219,480 of outstanding Revenue Refunding Bond, dated April 6, 1989, due in annual installments of \$ 7,000 - \$ 24,000 through April 1, 2011 with interest at 5.05% - 6.10%. 150,000

Total bonded debt 3,270,841

The annual requirements to amortize all bond debt outstanding at December 31, 2003, including interest payments of \$ 2,916,061 are as follows:

<u>Year Ended December 31,</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
2004	\$ 101,016	\$ 175,883	\$ 276,899
2005	100,984	175,912	276,896
2006	101,628	175,870	277,498
2007	101,912	176,716	278,628
2008	101,836	176,500	278,336
Thereafter	<u>522,264</u>	<u>4,276,381</u>	<u>4,798,645</u>
<u>Totals</u>	<u>1,029,640</u>	<u>5,157,262</u>	<u>6,186,902</u>

A summary of changes in the bonds payable follows:

	<u>Balance January 1, 2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2003</u>
General Obligation bonds	\$ 730,000		\$ 50,000	\$ 680,000
Revenue bonds	<u>2,630,029</u>		<u>45,188</u>	<u>2,584,841</u>
	<u>3,360,029</u>	<u>-0-</u>	<u>95,188</u>	<u>3,264,841</u>

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
 (Continued)

Note #6: CONTRIBUTED CAPITAL

The changes in contributed capital for the year ended December 31, 2003, follow:

Balance, January 1, 2003	\$ 555,229
Less depreciation on property and equipment acquired by grants externally restricted for capital acquisitions and construction	<u>23,981</u>
Balance, December 31, 2003	<u>531,248</u>

Note #7: FLOW OF FUNDS: RESTRICTION OF USE

Under the terms of the bond indenture on outstanding Water Revenue bonds, certain income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from the operation of the waterworks system, is dedicated to the retirement of said bonds, and are to be set aside into the following special accounts after provision has been made for the payment therefrom the reasonable and necessary expenses of operating and maintaining the system.

Revenue Bonds, Series 2002

A monthly deposit into the "Bond and Interest Sinking" account in an amount equal to 1/12 of the principal and 1/6 of the interest falling due on the next payment date for the bonds.

A monthly deposit into the "Reserve" account equal to 5% of the payments to the "Bond and Interest Sinking" account until such time as there has been accumulated therein a sum equal to the highest combined principal and interest requirements for any year on bonds payable from the "Sinking" account. Monies in the "Reserve" account will be used solely for the purpose of paying principal of and interest on such bonds as to which there would otherwise be a default.

A monthly deposit into the "Contingency" account equal to 5% of the payments to the "Bond and Interest Sinking" account for the purpose of caring for depreciation, extension, additions, improvements and replacements necessary to properly operate the waterworks system. Such account may also be used for the purpose of payment of bonds for which there is not sufficient money in the "Bond and Interest Sinking" account or "Reserve" account.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

Revenue Bonds, Series 1997

A monthly deposit into the "Sinking" account in the amount of \$ 12,558.

A monthly deposit into the "Reserve" account in the amount of \$ 735. This sum must be deposited monthly into this account until \$ 150,696 has been accumulated therein. Monies in the "Reserve" account will be used solely for the purpose of paying principal and interest on such bonds as to which there would otherwise be a default.

A monthly deposit into the "Contingency" account in the amount of \$ 799 for the purpose of caring for extensions, additions, improvements and replacements necessary to properly operate the Waterworks System. Such account may also be used for the purpose of payment of bonds for which there is not enough money in the "Sinking" account or "Reserve" account.

Under the terms of the bond indenture on outstanding General Obligation bonds, ad valorem tax revenues are dedicated to the retirement of said bonds, and are to be set aside into the following special account in the following manner:

A monthly deposit into the "Bond and Interest Sinking" account in an amount equal to 1/12 of the principal and 1/6 of the interest falling due on the next payment date for the bonds.

Note #8: PENSION PLAN

All employees of the District are members of the Parochial Employees' Retirement System of Louisiana (System), a multiple-employee (cost-sharing), public employee retirement system (PERS) controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District belong to Plan B.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 62 with at least 10 years of creditable service or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final average salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62. In any case, monthly retirement benefits paid under Plan B cannot exceed the lesser of 100 percent of final-average salary or \$70 multiplied by total years of creditable service.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by same statute.

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B, based proportionately on the salaries of the active members of each plan. State statutes require covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

In addition to the employee contributions withheld at 3.00% of monthly salary, the District contributes 3.75% of gross salary to the System. Contributions to the System during 2003 and 2002 were funded through employee and employer contributions of \$ 8,335 and \$9,496 and \$ 5,531, and \$ 7,277 respectively. The total 2003 and 2002 payroll covered by the System was \$ 263,482 and \$ 242,231 respectively. Under present statutes, the District does not guarantee the benefits granted by the System.

Note #9: COMPENSATED ABSENCES

At December 31, 2003, employees of the District have accumulated and vested \$ 7,038 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

Note #10: RELATED PARTY TRANSACTIONS

The following transactions occurred between the District and the West Feliciana Parish Police Jury during 2003 and 2002:

The District paid \$ 2,400 to the Police Jury for rent of office space, which was leased on a monthly basis, in 2003 and 2002.

Note #11: POLICE JURORS' COMPENSATION

The District is operated under the authority of the West Feliciana Parish Police Jury. The Jury members did not receive compensation from the district.

SUPPLEMENTAL INFORMATION

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2003 AND 2002

	Year Ended December 31,	
	<u>2003</u>	<u>2002</u>
Computer	\$ 11,891	\$ 9,396
Depreciation	223,433	210,131
Dues and registrations	17,814	7,678
Employee travel	-0-	639
Insurance - general	29,268	21,424
Insurance - health	17,734	18,374
Insurance - workers' compensation	25,826	12,468
Office rent	2,400	2,400
Office supplies	2,761	4,242
Payroll taxes	18,676	15,350
Postage	10,311	7,412
Professional services	8,445	8,257
Repairs and maintenance	195,244	193,321
Retirement	9,296	6,252
Salaries	262,565	240,925
Self-insurance claim	-0-	6,316
Telephone	6,226	6,196
Utilities	94,683	76,346
Vehicle operation	24,709	18,109
Water purchased	1,996	2,801
All other	<u>2,382</u>	<u>5,157</u>
<u>Totals</u>	<u>965,660</u>	<u>873,194</u>

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2003

<u>OPERATING REVENUES</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Charges for sales	\$ 990,000	\$ 1,066,976	\$ 76,976
Delinquent charges	44,000	44,958	958
Connection charges	4,500	3,710	(790)
Meter installation	20,000	20,341	341
DHH charges	10,100	10,060	(40)
Hydrant rental	<u>32,750</u>	<u>32,750</u>	<u>-0-</u>
<u>Total operating revenues</u>	<u>1,101,350</u>	<u>1,178,795</u>	<u>77,445</u>
<u>OPERATING EXPENSES</u>			
Computer	8,135	11,891	(3,756)
Depreciation	220,000	223,433	(3,433)
Dues and registration	16,620	17,814	(1,194)
Employee travel	500	-0-	500
Insurance - general	29,029	29,268	(239)
Insurance - health	16,125	17,734	(1,609)
Insurance - workers' compensation	20,450	25,826	(5,376)
Office rent	2,400	2,400	-0-
Office supplies	3,000	2,761	239
Payroll taxes	20,045	18,676	1,369
Postage	9,860	10,311	(451)
Professional services	8,675	8,445	230
Repairs and maintenance	192,448	195,244	(2,796)
Retirement	9,170	9,296	(126)
Salaries	262,000	262,565	(565)
Telephone	1,450	6,226	(4,776)
Utilities	79,220	94,683	(15,463)
Vehicle operation	24,270	24,709	(439)
Water purchased	2,000	1,996	4
All other	<u>3,500</u>	<u>2,382</u>	<u>1,118</u>
<u>Total operating expenses</u>	<u>928,897</u>	<u>965,660</u>	<u>(36,763)</u>
<u>Operating income</u>	<u>172,453</u>	<u>213,135</u>	<u>40,682</u>

(Continued)

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2003
 (Continued)

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE- FAVORABLE (UNFAVORABLE)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest revenue	\$ 2,000	\$ 3,917	\$ 1,917
Ad valorem taxes	50,000	42,871	(7,129)
Intergovernmental revenues	-0-	2,160	2,160
Miscellaneous revenues	10,665	31,588	20,923
Interest expense	(183,000)	(182,503)	497
Uncollectible accounts	<u>(2,000)</u>	<u>(1,825)</u>	<u>175</u>
<u>Total nonoperating revenues</u> <u>(expenses)</u>	<u>(122,335)</u>	<u>(103,792)</u>	<u>18,543</u>
<u>NET INCOME</u>	50,118	109,343	59,225
Add depreciation on property and equipment acquired by grants externally restricted for capital acquisitions and construction	<u>23,981</u>	<u>23,981</u>	<u>-0-</u>
<u>NET INCOME</u>	<u><u>74,099</u></u>	<u><u>133,324</u></u>	<u><u>59,225</u></u>

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
YEAR ENDED DECEMBER 31, 2003

	<u>ASSETS</u>			<u>BALANCE DECEMBER 31, 2003</u>
	<u>BALANCE JANUARY 1, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	
Land	\$ 34,133			\$ 34,133
Distribution system	7,114,101	\$ 124,795		7,238,896
Furniture and fixtures	3,144			3,144
Equipment	182,423	5,225		187,648
Vehicles	89,422	12,241		101,663
Leasehold improvements	2,112			2,112
Construction in progress	<u>-0-</u>	<u>77,445</u>		<u>77,445</u>
<u>Totals</u>	<u>7,425,335</u>	<u>219,706</u>	<u>\$ -0-</u>	<u>7,645,041</u>

ACCUMULATED DEPRECIATION

<u>LIFE IN YEARS</u>	<u>ACCUMULATED DEPRECIATION</u>			<u>BALANCE DECEMBER 31, 2003</u>	<u>NET BOOK VALUE</u>
	<u>BALANCE JANUARY 1, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>		
	\$ -0-			\$ -0-	\$ 34,133
20 - 40	2,737,418	\$ 183,113		2,920,531	4,318,365
3	3,144			3,144	-0-
5	46,911	27,533		74,444	113,204
3 - 8	73,127	12,787		85,914	15,749
10	2,112			2,112	-0-
	<u>-0-</u>	<u> </u>	<u> </u>	<u>-0-</u>	<u>77,445</u>
	<u>2,862,712</u>	<u>223,433</u>	<u>\$ -0-</u>	<u>3,086,145</u>	<u>4,558,896</u>

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF BONDS PAYABLE
DECEMBER 31, 2003

	<u>INTEREST</u>		<u>ISSUE DATE</u>
	<u>RATES</u>	<u>PAYMENT DATE</u>	
<u>GENERAL OBLIGATION BONDS</u>			
Refunding, 1997 Series	7.20%	4/1; 10/1	12-10-97
<u>REVENUE BONDS</u>			
Water Bonds, 1997 Series	5.00%	Monthly	03-20-97
Refunding, 1999 Series	Varies	4/1; 10/1	04-01-99
<u>Totals</u>			

<u>MATURITY DATE</u>	<u>BONDS</u>			
	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
04-01-2013	\$ 925,000	\$ 925,000	\$ 245,000	\$ 680,000
03-20-2037	2,600,000	2,600,000	165,159	2,434,841
04-01-2011	<u>211,000</u>	<u>211,000</u>	<u>61,000</u>	<u>150,000</u>
	<u>3,736,000</u>	<u>3,736,000</u>	<u>471,159</u>	<u>3,264,841</u>

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2003
(Unaudited)

<u>COVERAGE</u>	<u>INSURANCE COMPANY</u>
General liability	St. Paul Insurance Company
Auto liability and physical damage	St. Paul Insurance Company
Property	St. Paul Insurance Company
Position bond	Western Surety Company
Inland marine	St. Paul Insurance Company
Workers' compensation	LA Parish Government Risk Management Agency
Terrorism risk	St. Paul Insurance Company

<u>EXPIRATION DATE</u>	<u>LIABILITY LIMITS</u>
04-25-04	\$1,000,000 per each occurrence \$2,000,000 annual aggregate
04-25-04	\$1,000,000 uninsured motorists \$1,000,000 each accident
04-25-04	\$4,385,200 per occurrence
08-02-04	\$200,000 president \$200,000 secretary/treasurer \$50,000 water superintendent \$50,000 assistant water superintendent \$20,000 others
06-06-04	\$684,866 aggregate
01-01-04	\$1,000,000 each accident
05-16-04	varies

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
BOND MATURITY SCHEDULE
GENERAL OBLIGATION BONDS
SERIES 1997
DECEMBER 31, 2003

YEAR ENDING DECEMBER 31,	REQUIREMENTS TO RETIRE			PRINCIPAL APRIL 1	BALANCE OF PRINCIPAL OUTSTANDING
	TOTAL REQUIREMENTS	INTEREST APRIL 1	INTEREST OCTOBER 1		
2003					\$ 730,000
2004	\$ 101,016	\$ 24,480	\$ 22,536	\$ 54,000	680,000
2005	100,984	22,536	20,448	58,000	626,000
2006	101,628	20,448	18,180	63,000	568,000
2007	101,912	18,180	15,732	68,000	505,000
2008	101,836	15,732	13,104	73,000	437,000
2009	101,400	13,104	10,296	78,000	364,000
2010	102,532	10,296	7,236	85,000	286,000
2011	103,160	7,236	3,924	92,000	201,000
2012	103,284	3,924	360	99,000	109,000
2013	<u>10,360</u>	<u>360</u>		<u>10,000</u>	10,000
Totals	<u>928,112</u>	<u>136,296</u>	<u>111,816</u>	<u>680,000</u>	

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
BOND MATURITY SCHEDULE
WATER REVENUE BONDS
SERIES 1999
DECEMBER 31, 2003

<u>YEAR</u> <u>ENDING</u> <u>DECEMBER 31.</u>	<u>REQUIREMENTS TO RETIRE</u>			<u>PRINCIPAL</u> <u>OCTOBER 1</u>	<u>BALANCE OF</u> <u>PRINCIPAL</u> <u>OUTSTANDING</u>
	<u>TOTAL</u> <u>RETIREMENT.</u>	<u>INTEREST</u> <u>OCTOBER 1</u>	<u>INTEREST</u> <u>APRIL 1</u>		
2003					\$ 150,000
2004	\$ 25,187	\$ 4,327	\$ 3,860	\$ 17,000	133,000
2005	25,216	3,860	3,356	18,000	115,000
2006	25,175	3,356	2,819	19,000	96,000
2007	26,040	2,819	2,221	21,000	75,000
2008	25,804	2,221	1,583	22,000	53,000
2009	24,517	1,583	934	22,000	31,000
2010	25,148	934	214	24,000	7,000
2011	<u>7,214</u>	<u>214</u>	<u> </u>	<u>7,000</u>	
Totals	<u>184,301</u>	<u>19,314</u>	<u>14,987</u>	<u>150,000</u>	

CONSOLIDATED WATERWORKS DISTRICT NO. 13
WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF INFORMATION REQUIRED BY RURAL DEVELOPMENT
YEAR ENDED DECEMBER 31, 2003

Item 1: The District's customers' accounts receivable at December 31, 2003 is comprised of:

	<u>0 - 30 days</u>	<u>31+ days</u>	<u>Total</u>
#	<u>2,114</u>	<u>305</u>	<u>2,419</u>
Amount	<u>\$117,945</u>	<u>\$ 29,485</u>	<u>\$ 147,430</u>

Item 2: The District's water rates at December 31, 2003 are:

Residential

0 - 2,000 gal	\$9.00 minimum
over 2,000 gal	\$3.00 per thousand gallons

Commercial

0 - 10,000 gal	\$33.75 minimum
over 10,000 gal	\$3.00 per thousand gallons

School

0 - 25,000 gal	\$56.25 minimum
over 25,000 gal	\$3.00 per thousand gallons

Item 3: The number of residential and non-residential users at December 31, 2003 is 3,140 and 70, respectively.

Item 4: As explained under Note #11, in the Notes to the Financial Statements, the District is operated under the authority of the West Feliciana Parish Police Jury. The Jury members did not receive compensation from the District.

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

GLYNN R. DYER, CPA (APC)
ERIC J. VICKNAIR, CPA (APC)

FAX (225) 292-1041

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

Consolidated Waterworks District No. 13
West Feliciana Parish
St. Francisville, Louisiana

We have audited the general purpose financial statements of Consolidated Waterworks district No. 13, West Feliciana Parish, St. Francisville, Louisiana as of and for the year ended December 31, 2003, and have issued our report thereon dated May 11, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits as contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana's general purpose financial statements are free of material misstatement, we performed tests on its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation to be material weaknesses.

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

This report is intended for the use of management and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. By provision of state law, this report is a public document and it has been distributed to appropriate public officials.

There were no comments concerning compliance or internal control noted in the audit for the year ended December 31, 2002.

St. Francisville, Louisiana
May 11, 2004

Dyer & Vicknair