

RECEIVED
06/20/11 AM 11:19WATERWORKS DISTRICT NO. 3SHREVEPORT, LOUISIANAFINANCIAL STATEMENTSDecember 31, 2003

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Release Date 7-28-04

Karaha O. Hilligan
Certified Public Accountant
Shreveport, Louisiana

WATERWORKS DISTRICT NO. 7
Springville, Louisiana

Financial Statements
December 31, 2003

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Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report

Board of Commissioners
Waterworks District No. 7
Keithville, Louisiana

I have audited the accompanying component unit financial statements of Waterworks District No. 7, Keithville, Louisiana, a component unit of Caddo Parish, Louisiana, as of and for the six months ended December 31, 2003. These component unit financial statements are the responsibility of Waterworks District No. 7, Keithville, Louisiana's, management. My responsibility is to express an opinion on these component unit financial statements based on my audit.

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

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of Waterworks District No. 7, Keithville, Louisiana, as of December 31, 2003, and the results of its operations and cash flows for the six months then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated May 26, 2004, on my consideration of Waterworks District No. 7, Keithville, Louisiana's internal control structure and its compliance with laws and regulations.

Marsha O. Millican

Certified Public Accountant
May 26, 2004

WARRENWOOD DISTRICT NO. 7
Ellettsville, Louisiana

Balance Sheet

December 31, 2003

Assets

<u>Current Assets</u>	
Cash	\$ 144,938
Accounts Receivable (Net)	30,833
Taxes Receivable	20,311
Other Receivables	<u>8,444</u>
Total Current Assets	204,526
<u>Investments</u>	
	68,408
<u>Restricted Assets</u>	
Cash	369,953
Fixed Assets (Net)	1,374,985
Other Assets	<u>1,814</u>
Total Assets	<u>\$ 2,017,483</u>

Liabilities and Equity

<u>Current Liabilities</u>	
Accounts Payable	\$ 14,114
Accrued Expenses	1,581
Current Portion of Bonds and Certificates Payable	48,061
Accrued Interest Payable	<u>29,138</u>
Total Current Liabilities	<u>92,894</u>
<u>Long-Term Liabilities</u>	
Bonds and Certificates Payable	<u>1,184,167</u>
<u>EQUITY</u>	
Contributed Capital	19,794
Retained Earnings:	
Reserve for Bond Indentures	349,953
Unreserved	<u>382,313</u>
Total Retained Earnings	<u>732,266</u>
Total Equity	<u>749,002</u>
Total Liabilities and Equity	<u>\$ 2,017,483</u>

See accompanying notes to financial statements.

WATERWORKS DISTRICT NO. 3
Keithville, Louisiana

Statement of Revenues and Expenses

Six Months Ended December 31, 2021

Revenues:	
Water Sales	\$ 218,992
Water Fees and Connection Charges	18,400
Ad Valorem Taxes	28,434
Miscellaneous	<u>8,983</u>
Total revenues	<u>284,799</u>
Operating expenses:	
Accounting and legal	3,975
Auto Expense	3,030
Board Member Fees	4,780
Chemicals and chlorine	4,495
Contract Labor	42,354
Dues and Subscriptions	300
depreciation	50,461
Insurance	2,820
Miscellaneous	1,370
Office	9,384
Payroll Taxes	3,433
Permits and Fees	4,410
Postage	3,851
Repair and Maintenance	12,884
Salaries	41,892
Telephone	2,375
utilities	<u>11,887</u>
Total expenses	<u>173,711</u>
Operating income	83,076
Non-operating revenues (expenses):	
Interest and investment income	4,405
Interest Expense	<u>(48,082)</u>
Total non-operating revenues (expenses)	<u>(43,677)</u>
Net income	<u>\$ 39,399</u>

See accompanying notes to financial statements.

WATERWORKS DISTRICT NO. 7
Smithville, Louisiana

Statement of Changes in Retained Earnings

Six Months Ended December 31, 2003

Balance, July 1, 2003	\$ 475,877
Add: Net income for year	<u>44,382</u>
Balance, December 31, 2003	<u>\$ 520,259</u>

See accompanying notes to financial statements.

WATERWORKS DISTRICT NO. 7
Smithville, Louisiana

Statement of Cash Flows
Six Months Ended December 31, 2003

Cash flows from operating activities:	
Cash received from ad valorem taxes	\$ 120
Cash received from customers	224,678
Cash payments to suppliers and employees	(148,882)
Other operating income	6,262
Net cash provided by operating activities	<u>83,182</u>
Cash flows from capital and related financing activities:	
Principal paid on bonds and notes	(42,405)
Interest paid on bonds and notes	(77,141)
Net cash used by capital and related financing activities	<u>(119,546)</u>
Cash flows from investing activities:	
Purchase of investments	(18,874)
Proceeds from sale of investments	22,880
Interest received on investments	8,837
Net cash provided by investing activities	<u>(9,167)</u>
Net decrease in cash	(46,521)
Cash, July 1, 2003 (including \$484,500 in restricted accounts)	<u>566,323</u>
Cash, December 31, 2003 (including \$389,353 in restricted accounts)	<u>\$ 514,679</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 83,876
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	20,483
Changes in assets and liabilities:	
Decrease in accounts receivable	4,756
Increase in taxes receivable	(20,311)
Increase in other receivables	(3,644)
Decrease in other assets	7,137
Increase in accounts payable	791
Decrease in accrued expenses	(3,586)
Net cash provided by operating activities	<u>\$ 83,182</u>

See accompanying notes to financial statements.

WATERWORKS DISTRICT NO. 7
Keithville, Louisiana

Notes to Financial Statements
December 31, 2004

Waterworks District No. 7, Keithville, Louisiana, was created by ordinance January 9, 1978, as provided under the Louisiana Revised Statutes 33:2811. The ordinance states that the purpose of the District is to provide water service to the residents of the District. The District is governed by a five member board of commissioners appointed by the Caddo Parish Police Jury. The Commissioners serve five-year terms and are compensated under the provisions of Louisiana Revised Statutes 33:2813. The District is comprised of property in southwest Caddo Parish and serves approximately 1,378 people. The District's operations consist of six wells, five treatment plants, and approximately 61 miles of water lines. The District employs three full-time employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Waterworks District No. 7 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The following is a summary of the more significant accounting policies:

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

Investments. Investments are stated at the lower of cost or market.

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

Bad Debts. Utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Excavators. Ad valorem taxes are levied on January 1, due on December 31, and attach as an enforceable lien on property as of May 31, 2004. Fees for water, meters, and connection charges are recognized when earned.

Compensated Absences. Compensated absences for vacation and sick leave do not accrue past the calendar year.

(Continued)

WATERWORKS DISTRICT NO. 1
Millville, Louisiana

Notes to Financial Statements
December 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Fixed Assets. Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses. Renewal and betterments are capitalized.

Use of Estimates. The preparation of financial statements generally requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Compensated Absences. District employees are entitled to certain compensated absences based on length of employment. Compensated absences either vest or accumulate and are accrued when they are accrued when earned.

Period of Operations. The District changed its fiscal year end from June 30 to December 31 effective December 1, 2003. The accompanying financial statements reflect operations for the six months ended December 31, 2003.

2. CASH:

At December 31, 2003, the carrying amount of the District's cash deposits was \$814,878 and the bank's balance was \$814,320. The difference is due to outstanding checks at December 31, 2003. Deposits of \$100,000 were collateralized with FDIC insurance. Deposits of \$418,380 were collateralized by securities held by the financial institution as collateral, but not in the District's name.

3. ACCOUNTS RECEIVABLE:

Accounts receivable for customer water bills at December 31, 2003 consist of the following:

Accounts receivable	\$ 28,833
Less: allowance for doubtful accounts	<u>4,521</u>
Net accounts receivable	\$ <u>24,312</u>

(Continued)

WATERWORKS DISTRICT NO. 7
Keithville, Louisiana

Notes to Financial Statements
December 31, 2003

4. INVESTMENTS:

Investments at December 31, 2003 consist of the following:

Certificates of Deposit	\$	37,100
Mutual Funds		7,593
Bonds		<u>20,781</u>
Total		<u>\$ 65,474</u>

5. FIXED ASSETS:

A summary of fixed assets follows:

Water Distribution System	\$	1,380,354
Water Treatment Plants		535,018
Meters		18,889
Buildings		4,020
Furniture and Equipment		18,426
Land		<u>28,238</u>
		1,986,935
Less: Accumulated Depreciation		<u>613,421</u>
Net fixed assets		<u>\$ 1,374,514</u>

6. LONG-TERM DEBT:

The following is a summary of debt transactions of Waterworks District No. 7 for the six months ended December 31, 2003.

	<u>General obligation Bonds</u>	<u>Utility Revenue</u>	<u>Cost of indebt- ness</u>
Balance, July 1, 2003	\$ 154,000	\$1,008,933	\$ 53,960
Principal Payments	(5,000)	(16,572)	(21,960)
Balance, December 31, 2003	<u>\$ 149,000</u>	<u>\$1,011,504</u>	<u>\$ 72,000</u>

(continued)

WATKINSON DISTRICT NO. 7
Richville, Louisiana

Notes to Financial Statements
December 31, 2003

g. LONG-TERM DEBT: (CONTINUED)

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

General obligation bonds:

\$200,000 Public Improvement Bonds dated August, 1981; due in annual installments of \$2,000 - \$12,000 through August, 2001; interest at 8% (secured by levy and collection of ad valorem taxes) \$ 142,800

Utilities Revenues:

\$142,000 Revenue Bonds dated August, 1961; due in annual installments of \$2,000 - 8,000 through August, 2001; interest at 8% 98,800

\$700,000 Water Revenue Bonds dated November, 1966; due in annual installments of \$2,000 - \$28,000 through August, 2002; interest at 8.75% 427,000

\$140,000 Water Revenue Bonds dated March, 1982; due in annual installments of \$20,100, including interest at 8.125% through August, 2003 108,050

Total Utilities Revenues \$ 3,011,050

Certificates of Indebtedness:

\$288,000 Certificate of Indebtedness, dated February, 1997; due in annual installments of \$17,000 - \$28,000 through December 2008; interest at 8.50% \$ 72,800

(Continued)

WATERWORKS DISTRICT NO. 1
Keithville, Louisiana

Notes to Financial Statements
December 31, 2003

6. LONG-TERM DEBT: (CONTINUED)

The annual requirements to amortize all debt outstanding as of December 31, 2003 including interest payments of \$1,101,379 are as follows:

Year Ending December 31	General Obligation	Revenue Bonds	Certificate of Indebtedness	Total
2004	\$ 12,700	\$ 83,418	\$ 28,900	\$ 125,018
2005	83,200	418,848	28,898	530,946
2006	88,880	421,428	28,378	538,686
2007 - 2011	64,900	435,884	-	500,784
2012 - 2016	13,100	429,848	-	442,948
2017 - 2021	-	178,884	-	178,884
2022 - 2026	-	82,128	-	82,128
Total	\$ 212,780	\$ 2,318,824	\$ 86,810	\$ 2,618,414

7. OPERATING LEASES:

The District has entered into four operating leases for plots of land, of which three are for the production of water and one is for stand pipe. Two of the leases originated in 1988 and are for 40 year terms with an option to renew. The other two originated in 1991, one with a 40-year term and the other with a term for as long as the District produces water from the well. The following is a schedule by years of future rental payments required under operating leases having remaining noncancelable lease terms in excess of one year as of December 31, 2003: December 31, 2004 - December 31, 2009 - \$3,180 each year, 2005, thereafter - \$84,100.

8. COMPENSATION PAID TO COMMISSIONERS:

Compensation paid to commissioners for the six months ended December 31, 2003 was as follows:

Buddy Meacham	\$ 720
David Carroll	1,120
Mary Collier	960
William Leach	1,020
Ann Cuscut	360
Total	\$ 4,780

WATERBURY DISTRICT NO. 1

Corrective Action on Prior Year Findings

For the Six Months Ended December 31, 2023

Finding # 1.

The District did not file its annual financial statements with the Legislative Auditor within the time frame required by State Law.

Management's Corrective Action Taken:
Resolved.

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT OF COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH INTERNATIONAL AUDITING STANDARDS**

Board of Commissioners
Waterworks District No. 7
Keithville, Louisiana

I have audited the component unit financial statements of Waterworks District No. 7 as of and for the six months ended December 31, 2008, and have issued my report thereon dated May 25, 2009. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether Waterworks District No. 7'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 statements 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 Waterworks District No. 7'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 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.

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 solely for the information and use of management, the Board of Directors and applicable federal and state regulator agencies and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:533, this report is distributed by the Legislative Auditor as a public document.

Martha D. Miller

Certified Public Accountant
May 15, 2004

WATERWORKS DISTRICT NO. 7

Schedule of Findings

For the Six Months Ended December 31, 2003

There were no findings for the six months ended December 31, 2003.