

**WATERWORKS DISTRICT NO. 2
OF NATCHITOCHES PARISH
NATCHEZ, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2003**

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the clerk and other appropriate public officials. This report is available for public inspection at the State's House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-28-04

**WATERWORKS DISTRICT NO. 1 OF MATCHLESS PARISH
 NATCHEZ, LOUISIANA
 BOARD OF COMMISSIONERS
 DECEMBER 11, 2001**

<u>Commissioner</u>	<u>Office</u>	<u>Year Elected</u>	<u>Term</u>
Clyde H. Mason 1521 Hwy 401, Cloutiersville, La 71436 5807948135	President	2001	3 yrs.
John N. Ruffel P. O. Box 10, Floss, La 71438 5803524711	Vice-President	2001	3 yrs.
John T. Bates, Jr. 6841 Hwy 104, Fadden, La 71438 5803424334	Sec./Treasurer	2001	4 yrs.
Donald G. Fourné 252 Hwy 119, Matchee, La 71436 5803427412		2002	3 yrs.
Wendellson Howard, Jr. P. O. Box 236, Matchee, La 71436 5803424890		2003	3 yrs.
Emile Meyer 2501 Bermuda Road, Berwick, La 71406 5807942401		2001	4 yrs.
Kenneth Prudhomme 548 Fish Hatchery Road, Natchitoches, La 71401 5803412762		2001	2 yrs.
E. C. Rigg 1904 Highway 109, Natchez, La 71450 5803424912		2002	2 yrs.

WATERWORKS DISTRICT NO. 1 OF NATCHITOCHEE PARISH
NATCHITOCHEE, LOUISIANA
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DECEMBER 31, 2020

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**WATERWORKS DISTRICT NO. 2 OF HATCHDOCK PARISH
MARTIN S. LEBLANC
TRADITIONAL LETTER
ANNUAL FINANCIAL STATEMENTS**

April 20, 2004

Legislative Auditor
P. O. Box 94007
Baton Rouge, LA 70804-0007

Dear Sir:

In accordance with Louisiana Revised Statute 24:14, enclosed are the annual financial statements for the Waterworks District No. 2 of Hatchdox Parish for the year ended December 31, 2003. The report includes only funds under the control and ownership of the Waterworks District No. 2 of Hatchdox Parish.

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Sincerely,



Enclosure

STATEWIDE DISTRICT NO. 2 OF WATERWORKS DISTRICT
NATCHITOCHULES PARISH,
FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2004

Legislative Auditor
P. O. Box 9430
Baton Rouge, LA 70804-0930

AFFIDAVIT

I, personally name and appeared before the undersigned authority, Leslie Dean, Manager of the Waterworks District No. 2 of Natchitoches Parish, who, duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Waterworks District No. 2 of Natchitoches Parish, at December 31, 2004 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.


Manager

Sworn to and subscribed before me, this 20 day of April, 2004.


NOTARY PUBLIC
40-18-089



HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 7388 • 100 EAST PINEA STREET
MONROEGROVE, LA 70507

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LLC. 0000

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Waterworks District No. 2 of Natchitoches Parish
Natchitoches, Louisiana 70445

We have audited the accompanying basic financial statements of the Waterworks District No. 2 of Natchitoches Parish, Natchitoches, Louisiana, a component unit of the Natchitoches Parish Police Jury, as of and for the year ended December 31, 2003, as listed in the table of contents. These basic financial statements are the responsibility of management of the Waterworks District No. 2 of Natchitoches Parish. 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. These 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, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Waterworks District No. 2 of Natchitoches Parish as of December 31, 2003, and the changes in its financial position and its cash flows in the year 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 April 20, 2004, on our consideration of the Waterworks District No. 2 of Natchitoches Parish's internal control over financial reporting and/or tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

The Management's Discussion and Analysis information on pages 4 through 5 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Waterworks District No. 2 of Natchitoches Parish taken as a whole. The accompanying supplemental schedules listed in the table of contents are prepared 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 our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Hines, Jackson & Hines
Natchitoches, Louisiana
April 20, 2004

WATERWORKS DISTRICT NO. 2 OF NATCHITOCHES PARISH
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2003

The Management's Discussion and Analysis of Waterworks District No. 2 of Natchitoches Parish's financial performance provides a narrative overview and analysis of Waterworks District No. 2 of Natchitoches Parish's financial activities for the year ended December 31, 2003. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter presented on page 1 and Waterworks District No. 2 of Natchitoches Parish's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- 1) The Waterworks District No. 2 of Natchitoches Parish had cash and cash equivalents and investments of \$483,962 at December 31, 2003 which represents a decrease of \$14,683 from prior year end.
- 2) The Waterworks District No. 2 of Natchitoches Parish had accounts receivable of \$48,659 at December 31, 2003 which represents an increase of \$968 from prior year end.
- 3) The Waterworks District No. 2 of Natchitoches Parish had accounts payable and accruals of \$185,136 at December 31, 2003 which represents an increase of \$99,376 from prior year end.
- 4) The Waterworks District No. 2 of Natchitoches Parish had total operating revenues of \$519,589 for the year ended December 31, 2003 which represents an increase of \$9,583 from prior year.
- 5) The Waterworks District No. 2 of Natchitoches Parish had charges for services revenues of \$483,665 for the year ended December 31, 2003 which represents an increase of \$1,940 from prior year.
- 6) The Waterworks District No. 2 of Natchitoches Parish had total operating expenses of \$471,124 for the year ended December 31, 2003 which represents an increase of \$27,384 from prior year.
- 7) The Waterworks District No. 2 of Natchitoches Parish had salaries and benefits expense of \$148,138 for the year ended December 31, 2003 which represents an increase of \$12,838 from prior year.
- 8) The Waterworks District No. 2 of Natchitoches Parish had interest expense of \$45,663 for the year ended December 31, 2003 which represents an increase of \$18,722 from prior year.
- 9) The Waterworks District No. 2 of Natchitoches Parish had a net change in net assets of \$9,000 for the year ended December 31, 2003 which represents a decrease of \$33,866 from prior year.
- 10) The Waterworks District No. 2 of Natchitoches Parish had capital asset purchases of \$1,300,851 for the year ended December 31, 2003 which represents an increase of \$1,495,944 from prior year.
- 11) The Waterworks District No. 2 of Natchitoches Parish had long-term debt principal payments of \$41,099 for the year ended December 31, 2003 which represents a decrease of \$6,847 from prior year.
- 12) The Waterworks District No. 2 of Natchitoches Parish had new long-term debt of \$1,125,625 for the year December 31, 2003.

**WATERWORKS DISTRICT NO. 2 OF NANTUCKET PARISH
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS CONTINUED
DECEMBER 31, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Waterworks District No. 2 of Nantucket Parish as established by Governmental Accounting Standards Board Statement 34, State Financial Statements and Management's Discussion and Analysis for State and Local Governments.

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Fund Net Assets, and Cash Flows (on pages 8, 18 and 19) provide information about the activities of Waterworks District No. 2 of Nantucket Parish as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenditures taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Fund Net Assets report the District's net assets and changes in them. You can think of the District's net assets, the difference between assets and liabilities, as one way to measure the Fund's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating.

**WATERWORKS DISTRICT NO. 2 OF MATCHLESS PARISH
MATCHLESS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS CONTINUED
MAY 2000 TO 2001**

FINANCIAL ANALYSIS OF THE ENTITY

**Statement of Net Assets
As of Year End**

	2001	2000
Current and other assets	\$ 628,915	\$ 661,790
Capital assets, net	1,580,687	1,294,140
Total Assets	\$ 2,209,602	\$ 1,955,930
Accounts payable, accruals and other liabilities	\$ 186,215	\$ 93,869
Long term debt and leases	1,759,686	508,732
Total Liabilities	1,945,901	602,601
Net assets		
Investment in capital assets, net of related debt	896,671	788,342
Restricted	74,883	-8,482
Unrestricted	149,028	103,839
Total Net Assets	1,120,582	1,152,699
Total Liabilities and Net Assets	\$ 2,209,602	\$ 1,955,930

Net assets of the Waterworks District No. 2 of Matchless Parish's increased by \$9,000 or 0.67% from the previous fiscal year. This increase is the result of operating and other revenues exceeding operating and other expenses during the fiscal year ended 2000 (See table below).

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended**

	2001	2000
Operating Revenues	\$ 119,098	\$ 110,324
Operating Expenses	-111,120	-111,828
Operating Income	7,978	-1,504
Nonoperating Revenues(Expenses)	(18,726)	(18,672)
Change in net assets	\$ 1,000	\$ -17,872

The Waterworks District No. 2 of Matchless Parish's total operating revenues increased by \$8,774 or 1.00% from the previous year. The total operating expenses increased by \$17,384 or 6.17% from the previous year.

**WATERWORKS DISTRICT NO. 1 OF NATCHITOCHES PARISH
 NAUTCHY, LOUISIANA
 MANAGEMENT'S FINANCIAL AND ANALYTICAL STATEMENTS
 (DECEMBER 31, 2001)**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2001, Waterworks District No. 1 of Natchitoches Parish had \$1,681,887, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net increase (including additions and deductions) of \$1,548,747 or 107.67% from the previous year.

**Capital Assets at Year End
 (Net of Depreciation)**

	2001	2000
Land	\$ 1,388	\$ 1,388
Buildings and building improvements	40,814	44,583
Distribution systems	1,115,589	1,254,884
Automobiles	0	0
Machinery and equipment	4,107	17,888
Construction in progress	1,262,433	0
Total	\$ 1,263,288	\$ 1,273,763

This year's major additions included:

Construction in progress - Distribution system \$ 1,262,433

This year's major retirements included:

Distribution system \$ 171,019
 Automobiles \$ 82,386
 Machinery and equipment \$ 48,543

Debt

Waterworks District No. 1 of Natchitoches Parish had \$1,794,686 in long-term debt and leases outstanding at year end compared to \$18,775 at the previous year end, an increase of \$1,775,911 or 2494.6% as shown in the table below.

Outstanding Debt at Year End

	2001	2000
Capital lease	\$ 117	\$ 4,648
Construction line of credit	1,021,623	0
Revenue bonds	583,246	106,117
Contributions of indebtedness	171,433	118,442
Total	\$ 1,794,686	\$ 18,775

New debt during the year included:

Construction line of credit \$ 1,021,623

WATERWORKS DISTRICT NO. 2 OF NATCHITOCHEES PARISH
DISTRICT, LOUISIANA
MANAGEMENT'S FINANCIAL AND OPERATIONAL STATEMENTS
DECEMBER 31, 2000

ECONOMIC FACTORS AND NEXT YEAR'S RATES AND FEES

Management of Waterworks District No. 2 of Natchitoches Parish consider the following factors and indicators when setting next year's rates and fees. These factors and indicators include:

- 1) Long-term debt
- 2) Cost of operations
- 3) Number of Customers
- 4) Size and Seasonal Demand

Waterworks District No. 2 of Natchitoches Parish expects various construction projects, currently in progress and not started as of year end, to be completed during 2004. This will enable the District to provide better services to more customers. The effect of the completion of these projects on the District's financial statements will be based on the number and timing of any new customers being added to the system and the reduction of repairs, maintenance and supplies costs. The District will increase water rates to \$10.00 for the first 2,000 gallons and \$3.50 for every 1,000 gallons thereafter on April 1, 2004.

CONTACTING WATERWORKS DISTRICT NO. 2 OF NATCHITOCHEES PARISH'S MANAGEMENT

This financial report is designed to provide our citizens, employees, customers, investors and creditors with a general overview of the Waterworks District No. 2 of Natchitoches Parish's finances and to show Waterworks District No. 2 of Natchitoches Parish's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Leslie Doss, Manager, 1983 Highway 119, Natchitoches, Louisiana 71456.

**WATERWORKS DISTRICT NO. 1 OF NAUVOOCHOCHE PARISH
STATE OF LOUISIANA
STATEMENT OF FINANCIAL POSITION
OCTOBER 31, 2002**

EXHIBIT A

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 307,099
Investments	170,000
Accounts receivable	46,450
Prepaid expenses	3,129
Total Current Assets	526,668
Noncurrent Assets	
Restricted assets	74,883
Capital assets, net	2,680,887
Deposits	1,682
Total Assets	\$ 3,312,982
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current Liabilities	
Current portion of long-term debt	\$ 1,375,668
Current portion of capital lease obligation	322
Accounts payable and accruals	105,736
Total Current Liabilities	1,481,726
Noncurrent Liabilities	
Long-term debt, net of current portion	408,690
Capital lease obligation, net of current portion	0
Customer deposits	50,893
Total Liabilities	1,941,311
NET ASSETS	
Investment in capital assets, net of related debt	894,881
Restricted	74,883
Unrestricted	343,218
Total Net Assets	1,311,052
Total Liabilities and Net Assets	\$ 3,312,982

The accompanying notes are an integral part of this statement.

**WATERWORKS DISTRICT NO. 1 OF MACHODOCHES PARISH
 NATCHES, LOUISIANA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED OCTOBER 31, 2000**

EXHIBIT B

OPERATING REVENUES	
Charges for services	\$ 483,645
Contract fees	21,999
Late fees	11,718
Miscellaneous	1,462
Total Operating Revenues	518,824
OPERATING EXPENSES	
Bad-debt expense	2,846
Depreciation	114,804
Employee benefits	28,684
Fuel	7,847
Insurance	22,881
Legal and accounting	18,829
Licenses and permits	6,391
Office supplies and other expenses	12,728
Payroll taxes	18,843
Repairs and maintenance	14,814
Salaries and board pay (item)	146,036
Supplies	54,488
Telephone	7,141
Utilities	25,823
Total Operating Expenses	471,122
Operating Income	48,702
Nonoperating Revenues/Expenses)	
Interest income	9,187
Interest expense	(48,881)
Total Nonoperating Revenues/Expenses)	(39,694)
Change in Net Assets	9,008
Net Assets, Beginning of year as restated	1,112,083
Net Assets, End of year	1,121,091

The accompanying notes are an integral part of this statement.

**WATERWORKS DISTRICT NO. 2 OF NATCHITOCHULES PARISH
NATCHEZ, LOUISIANA
STATEMENT OF CASH FLOWS
(FOR THE YEAR ENDED DECEMBER 31, 2020)**

EXHIBIT C

Cash Flows From Operating Activities	
Receipts from customers	\$ 118,732
Cash payments to suppliers for goods and services	(281,211)
Cash payments to employees and board members for services	(126,979)
Other operating revenues/expenses	<u>0</u>
Net Cash From Operating Activities	168,482
Cash Flows From Capital and Related Financing Activities	
Proceeds from construction loan of credit	1,105,622
Principal payments on lease obligations	(1,100)
Principal payments on revenue bonds	(22,991)
Principal payments on certificate of indebtedness	(25,000)
Acquisition/construction of capital assets	(1,608,141)
Interest paid	<u>(28,864)</u>
Net Cash From Capital and Related Financing Activities	(150,374)
Cash Flows From Investing Activities	
Interest income	<u>8,230</u>
Cash Flows From Investing Activities	8,230
Net Increase/(Decrease) in Cash and Cash Equivalents	(14,662)
Cash and Cash Equivalents, Beginning of year	408,787
Cash and Cash Equivalents, End of year	\$ 394,125
Reconciliation of Operating Income to Net Cash From Operating Activities	
Operating income	\$ 48,762
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation expense	114,034
Bad debt expense	2,846
(Increase)/decrease in operating assets	
Accounts receivable	(3,157)
Prepaid expenses	(1,653)
Increase/(decrease) in operating liabilities	
Accounts payable and accrued	(2,114)
Customer deposits	1,980
Net Cash Flows From Operating Activities	168,482

The accompanying notes are an integral part of this statement.

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**WATERWORKS DISTRICT NO. 2 OF NATCHITOCHES PARISH
NATCHEZ, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

The Waterworks District No. 2 of Natchitoches Parish was created by an ordinance of the Natchitoches Parish Police Jury on April 10, 1963. The District is a political subdivision of the Natchitoches Parish Police Jury, whose jurors are elected officials. The District Commissioners are appointed by the Natchitoches Parish Police Jury.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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 transactions of state and local governmental entities. The GASB has issued a Constitution of Governmental Accounting and Financial Reporting Standards (GASB Constitution). This Constitution and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles. The accompanying financial statements of Waterworks District No. 2 of Natchitoches Parish present information only as to the transactions of the program of Waterworks District No. 2 of Natchitoches Parish as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to what revenues and expenses are recognized and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of Waterworks District No. 2 of Natchitoches Parish are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, Waterworks District No. 2 of Natchitoches Parish defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

**WATERWORKS DISTRICT NO. 2 OF NATCHITOCHES PARISH
NATCHES, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2002**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

D. Bad Debt

Uncollectible accounts receivable 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. At December 31, 2002, \$148 were considered to be uncollectible.

E. Capital Assets

Capital assets are carried at historical costs. Depreciation of all depreciable capital assets used by Waterworks District No. 2 of Natchitoches Parish are charged as an expense against operations in the Statement of Revenues, Expenses, and Changes in Fund/Net Assets. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements, 1 to 25 years for the distribution system, 3 years for automobiles and 2 to 10 years for machinery and equipment. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

F. Compensated Absence

All full time employees of Waterworks District No. 2 of Natchitoches Parish are entitled to one week of vacation each year. Vacation time may not be carried over from one year to the next and does not vest or accumulate. Therefore, no liability for compensated absence has been recorded in the accompanying financial statements.

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

i. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law Waterworks District No. 2 of Natchitoches Parish may deposit funds within a fiscal agent bank selected and designated by the Parish Emergency Board. Further the Parish may invest in time certificates of deposit at state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings, and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

**WATERWORKS DISTRICT NO. 2 OF NATCHITOCHES PARISH
NATCHEZ, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003**

NOTE 1: DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

A. Deposits with Financial Institutions (Continued)

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank (its holding or custodial bank that is mutually acceptable to both parties). The deposits at December 31, 2003, were secured as follows:

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet (does not include \$400 in petty cash)	\$ 391,452	\$ 211,000	\$ 602,452
Bank Balances	Cash	Certificates of Deposit	Total
1. Insured or collateralized with securities held by the entity or its agency in the entity's name	\$ 142,652	\$ 171,000	\$ 313,652
2. Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	248,118	40,000	288,118
3. Uncollateralized, including any securities held for the entity but not in entity's name	\$	\$	\$
Total Bank Balances	\$ 391,770	\$ 211,000	\$ 602,770

The following is a breakdown by banking institution and amount of the balances shown above:

Banking Institution	Amount
Bank of Montgomery	\$ 595,119
City Bank and Trust Company	140,000
Exchange Bank	9,416
First Federal Bank of Louisiana	73,000
Saline State Bank	73,215
Total	\$ 602,770

B. Investments

As December 31, 2003, Waterworks District No. 2 of Natchitoches Parish had investments of \$0.

**WATERWORKS DISTRICT NO. 2 OF NATCHITOCHES PARISH
NATCHITOCHES, LOUISIANA
NOTES TO FINANCIAL STATEMENTS/CONTINUED
DECEMBER 31, 2003**

NOTE 3 RESTRICTED ASSETS

At December 31, 2003, Waterworks District No. 2 of Natchitoches Parish had the following restricted assets:

Cash and cash equivalents	\$	54,883
Certificates of Deposit		<u>49,880</u>
Total	\$	<u>\$ 104,763</u>

NOTE 4 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2003:

<u>Class of Receivable</u>		
Charges for services	\$	40,094
Interest		<u>100</u>
Total	\$	<u>\$ 40,194</u>

NOTE 5 CAPITAL ASSETS

A summary of Waterworks District No. 2 of Natchitoches Parish's capital assets at December 31, 2003 follows:

	Balance December 31, 2002	Additions	Retirements	Balance December 31, 2003
Capital Assets, not being depreciated				
Land	\$ 1,800	\$ 0	\$ 0	\$ 1,800
Construction in progress	<u>0</u>	<u>1,303,881</u>	<u>0</u>	<u>1,303,881</u>
Total Capital Assets, not being depreciated	1,800	1,303,881	0	1,305,681
Capital Assets, being depreciated				
Buildings and Building Improvements	48,183	0	0	48,183
Less accumulated depreciation	<u>(22,581)</u>	<u>(2,788)</u>	<u>0</u>	<u>(25,369)</u>
Total Buildings and Building Improvements	48,183	(2,788)	0	45,395
Distribution System	2,884,416	0	(17,028)	2,867,388
Less accumulated depreciation	<u>(2,489,022)</u>	<u>(218,522)</u>	<u>(1,628)</u>	<u>(2,709,172)</u>
Total Distribution System	1,224,394	(218,522)	(17,656)	1,088,216
Automobiles	49,961	0	(21,888)	28,073
Less accumulated depreciation	<u>(49,961)</u>	<u>0</u>	<u>(2,388)</u>	<u>(52,349)</u>
Total Automobiles	0	0	(24,276)	(24,276)
Machinery and Equipment	116,740	0	(48,963)	67,777
Less accumulated depreciation	<u>(108,724)</u>	<u>(8,781)</u>	<u>(4,961)</u>	<u>(122,466)</u>
Total Machinery and Equipment	116,740	(8,781)	(53,924)	54,035
Total Capital Assets, being depreciated	<u>1,224,394</u>	<u>(218,522)</u>	<u>(86,680)</u>	<u>919,192</u>
Total Capital Assets, net	<u>\$ 1,224,394</u>	<u>\$ 1,085,359</u>	<u>\$ 0</u>	<u>\$ 1,404,873</u>

**WATKINSVILLE DISTRICT NO. 2 OF HATCHESPOUCH PARISH
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS COMBINELY
DECEMBER 31, 2003**

NOTE 4 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2003:

<u>Class of Payable</u>	
Vendor	\$ 84,957
Interest	28,779
Other	0
Total	<u>\$ 113,736</u>

NOTE 7 LONG TERM DEBT

The following is a summary of debt transactions of Watkinson District No. 2 of Hatchespouch Parish for the year ended December 31, 2003:

	Balance			Current	
	Dec. 31, 2002	Additions	Deletions	Dec. 31, 2003	Amount
Construction line of credit 2000	\$ 0	\$ 1,315,620	\$ 0	\$ 1,315,620	\$ 1,315,620
Revenue Bonds - 1979	50,000	0	17,000	33,000	33,000
Revenue Bonds - 1987	280,217	0	1,891	281,246	7,600
Certificate of Indebtedness - 1999	188,483	0	21,000	167,483	21,000
Total	<u>\$ 268,700</u>	<u>\$ 1,315,620</u>	<u>\$ 47,891</u>	<u>\$ 1,586,429</u>	<u>\$ 1,377,220</u>

The terms of the individual debt issues of the District are as follows:

	Interest	Maturity	Amount	Amount
	Rate	Date	Issued	Outstanding
Construction line of credit - 2003	1.25%	2004	\$ 1,315,620	\$ 1,315,620
Revenue Bonds - 1979	5.88%	2004	240,000	18,000
Revenue Bonds - 1987	5.75%	2026	328,000	285,246
Certificate of Indebtedness - 1999	5.58%	2009	228,000	155,483
Total			<u>\$ 1,171,620</u>	<u>\$ 1,558,349</u>

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

Year Ending	Construction		Certificate	
	Line of Credit	Revenue Bonds	of Indebtedness	Total
December 31				
2004	\$ 1,315,620	\$ 81,891	\$ 50,361	\$ 1,447,872
2005	0	22,691	52,820	75,511
2006	0	22,691	58,478	81,160
2007	0	22,691	28,230	50,921
2008	0	22,691	27,481	50,170
Thereafter	0	180,736	32,121	212,857
Total	<u>\$ 1,315,620</u>	<u>\$ 410,381</u>	<u>\$ 183,011</u>	<u>\$ 1,909,012</u>

**WATERWORKS DISTRICT NO. 2 OF NATCHITOCHEE PARISH
NATCHITOCHEE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS CONTINUED
DECEMBER 31, 2005**

NOTE 8 LEASES

On January 12, 1994, Waterworks District No. 2 of Natchitoches Parish entered into a lease agreement for the acquisition of an office building. The agreement provides for one hundred and twenty (120) monthly payments of \$1,000.00. At the maturity of the lease term, the District may purchase the office building for one (\$1) dollar. The cost of the office building, \$20,000, is included as an asset and an obligation in the financial statements.

The following is a schedule of future minimum lease payments and the present value of the net future minimum lease payments as of December 31, 2005:

Year Ending December 31 2004	<u>Office Building</u>
Total minimum lease payments	\$ 120
Less amount representing interest	(28)
Present value of minimum lease payments	<u>\$ 92</u>

Waterworks District No. 2 of Natchitoches Parish was not obligated under any operating leases at December 31, 2005.

NOTE 9 LITIGATION

There was no outstanding litigation against Waterworks District No. 2 of Natchitoches Parish at December 31, 2005.

NOTE 10 FIVE YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for December 31, 2000:

Fixed Equity, beginning of year as previously reported	\$ 1,454,000
Adjustment: Change in useful lives of capital assets	(102,333)
Net Assets, beginning of year as revised	<u>\$ 1,351,667</u>

NOTE 11 SUBSEQUENT EVENTS

Permanent Financing of Construction Line of Credit

On March 3, 2004, Waterworks District No. 2 of Natchitoches Parish paid off the construction line of credit with permanent financing through the United States Department of Agriculture, Rural Development, water revenue bonds, Series 2004.

OTHER SUPPLEMENTARY INFORMATION

WATERBURY DISTRICT NO. 1 OF MATCHLESS PARISH
STATE OF LOUISIANA
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
DECEMBER 31, 2002

SCHEDULE 1

Members	Meetings	Amount
John T. Bates, Jr.	18	\$ 500
Donald D. Foust	12	720
Henderson Howard, Jr.	7	420
James L. Johnson	2	120
Clyde Mason	12	720
Emile Mazytt	12	720
Kenneth Proffersome	10	600
Norman Siebel	12	720
E. C. Rupp	8	480
Richard Williamson	3	180
Total		\$ 4,120

**WATERBURY CONTRACTORS OF MARCHINGTON PARISH
MAYHEW, LOUISIANA
SCHEDULE OF FINDINGS AND COMPLIANCE COSTS
FOR THE YEAR ENDING DECEMBER 31, 2002**

SCHEDULE 1

SECTION 01

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

1.	Type of auditors' report issued.	Unqualified
2.	Internal control over financial reporting:	
	a) Material weaknesses identified?	None
	b) Reportable conditions identified not considered to be material weaknesses?	None
	c) Noncompliance material to the financial statements noted?	None

SECTION 02

FINANCIAL STATEMENT FINDINGS

None reported.

HINES, JACKSON & HINES, L.L.C.

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

Board of Commissioners
Waterworks District No. 2 of Natchitoches Parish
Monche, Louisiana 70457

We have audited the basic financial statements of the Waterworks District No. 2 of Natchitoches Parish, Monche, Louisiana, a component unit of the Natchitoches Parish Police Jury, as of and for the year ended December 31, 2008, and have issued our report thereon dated April 29, 2009. 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.

Compliance

As part of obtaining reasonable assurance about whether the Waterworks District No. 2 of Natchitoches Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of 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 the Waterworks District No. 2 of Natchitoches Parish'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 misstatement 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 operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Waterworks District No. 2 of Natchitoches Parish and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:511, this report is distributed by the Legislative Auditor as a public document.

Hines, Jackson & Hines

Natchitoches, Louisiana

April 29, 2009

**WATERWORKS DISTRICT NO. 2 OF HAWKESBERRY PARISH
 WATERBILLS FORECAST
 SUMMARY ACCOUNTS OF FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE 1

	Fiscal Year Finding Initially Observed	Description of Finding	Corrective Action Taken (Yes, No, Partial)	Planned Corrective Action/Partial Corrective Action Taken
Ex. No.				

Nothing came to our attention that would require disclosure under Government Auditing Standards.

**WATERBURY DISTRICT NO. 1 OF NATCHITOCHEES PARISH
 NATCHITOCHEES, LOUISIANA
 CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
 FOR THE YEAR ENDING DECEMBER 31, 2011**

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Activities Standards.