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WATERWORKS DISTRICT NO. 1  
A COMPONENT UNIT OF UNION PARISH POLICE JUDGE  
PROPRIETARY FUND - ENTERPRISE FUND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1993

2004  
7-28-04

Under provisions of state law, this report is a public document. Copies of the report shall be submitted to the courts and other appropriate public officials. This 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 7-28-04

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund – Enterprise Fund**

**Financial Statements**  
**For the Year Ended December 31, 2003**

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**RADIAN L. HENNIGAN**

Certified Public Accountant  
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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Waterworks District No. 1  
Barracville, Louisiana

I have audited the accompanying balance sheet of Waterworks District No. 1 (a component unit of Union Parish Police Jury) as of December 31, 2000, and the related statements of revenues, expenses, and changes in retained earnings and cash flows for the year then ended. These financial statements are the responsibility of Waterworks District No. 1's management. Our responsibility is to express an opinion on these financial statements on our audit.

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. These standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waterworks District No. 1 as of December 31, 2000, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the financial statements referred to in the first paragraph taken as a whole. The budgetary information included on page 7 and 8 is presented for purposes of additional analysis and is not a required part of the financial statements of Waterworks District No. 1. Such information has been subjected to the auditing procedure applied in the audit of the financial statements taken as a whole.

Respectfully,



Radon L. Hennigan  
Certified Public Accountant

June 28, 2004

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type - Enterprise Fund**  
**Balance Sheet**  
**December 31, 2003**

**ASSETS**

<b>Current Assets</b>	
Cash	\$ 141,723
Accounts Receivable - Customers	5,763
Prepaid Expenses	2,607
<b>Total Current Assets</b>	<u>150,133</u>
<b>Restricted Assets</b>	
Cash	62,574
Investments	21,089
<b>Total Restricted Assets</b>	<u>83,663</u>
<b>Property, Plant and Equipment</b>	
Water Plant and Water Lines	968,495
Furniture and Equipment	2,824
<b>Total</b>	<u>971,319</u>
Less: Accumulated Depreciation	(320,517)
<b>Net Depreciable Assets</b>	<u>650,802</u>
Land	1,825
Construction in Progress	-
<b>Total Property, Plant and Equipment</b>	<u>652,627</u>
<b>Other Assets</b>	
	-
<b>TOTAL ASSETS</b>	<u>\$ 885,222</u>

The accompanying notes are an integral part of this statement.

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type - Enterprise Fund**  
**Balance Sheet**  
**December 31, 2013**

**LIABILITIES AND RETAINED EARNINGS**

**LIABILITIES**

<b>Current Liabilities (Payable from Current Assets)</b>	<b>1,188</b>
Accounts Payable	
Total	1,188

<b>Current Liabilities (Payable from Restricted Assets)</b>	
Accrued Interest Payable	2,701
Bonds Payable	29,157
Customers' Motor Deposits	6,628
Total	38,486
<b>Total Current Liabilities</b>	40,768

<b>Long-term Liabilities</b>	
Bonds Payable	306,888
Total Long-term Liabilities	306,888

<b>TOTAL LIABILITIES</b>	<b>358,684</b>
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**RETAINED EARNINGS**

<b>Reserved</b>	
Reserved for Debt Service, Depreciation, and Contingency	85,673

<b>Unreserved</b>	
Undesignated	382,516
Designated for Prior Year Adjustments	

<b>TOTAL RETAINED EARNINGS</b>	<b>468,589</b>
--------------------------------	----------------

<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 829,251</b>
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The accompanying notes are an integral part of this statement.

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type - Enterprise Fund**  
**Statement of Revenues, Expenses, and Changes in Retained Earnings**  
**- Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2003**

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Operating Revenues</b>			
Water Sales	\$ 150,000	134,818	\$ (15,182)
Installation Fees	2,500	2,708	208
<b>Total Operating Revenues</b>	<u>152,500</u>	<u>137,526</u>	<u>(14,974)</u>
<b>Operating Expenses</b>			
Bad Debt	-	-	-
Board of Commissioners' Fees	1,300	928	388
Contract Labor	20,108	19,488	780
Depreciation	17,243	19,657	(2,414)
Equipment Rental	3,380	2,822	778
Insurance	3,300	2,781	519
Materials, Repairs, and Supplies	25,800	24,887	13
Office Expense	2,000	2,588	(588)
Other Expense	4,000	4,412	(412)
Payroll Taxes	800	682	118
Professional Fees	1,500	1,200	300
Sales	9,000	8,917	83
Sales Tax	-	-	-
Utilities	15,000	12,447	2,553
<b>Total Operating Expenses</b>	<u>103,483</u>	<u>101,814</u>	<u>1,669</u>
<b>Total Operating Income</b>	<u>49,017</u>	<u>35,712</u>	<u>(13,305)</u>
<b>Nonoperating Income (Expense)</b>			
Interest Earned	3,300	4,518	1,218
Interest Expense	(21,422)	(20,801)	(1,421)
<b>Total Nonoperating Income (Expense)</b>	<u>(17,822)</u>	<u>(16,283)</u>	<u>2,539</u>
<b>Net Income (Loss)</b>	<u>\$ 31,195</u>	<u>20,535</u>	<u>(10,660)</u>

The accompanying notes are an integral part of this statement.

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type - Enterprise Fund**  
**Statement of Revenues, Expenses, and Changes in Retained Earnings**  
**- Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Retained Earnings at Beginning of Year	448,056	448,056	-
Retained Earnings at End of Year	<u>\$ 478,171</u>	<u>\$ 464,589</u>	<u>\$ 135,582</u>

The accompanying notes are an integral part of this statement.



**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type - Enterprise Fund**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2003**

<b>Cash flows from Operating Activities</b>	
Operating Income	\$ 33,916
Adjustments to reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	19,087
Changes in:	
Accounts Receivable	13,392
Prepaid Expenses	(2,667)
Accounts Payable	(1,246)
Interest Payable	(1,864)
Total Adjustments	<u>36,672</u>
Net Cash Provided (Used) by Operating Activities	<u>62,588</u>
<b>Cash flows from Noncapital Financing Activities</b>	
Change in Customers' Meter Deposits	<u>1,888</u>
<b>Cash flows from Capital and Related Financing Activities</b>	
Principal payments on bonds payable	(86,699)
Principal payments on notes payable	-
Interest paid on bonds and notes payable	(20,081)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(106,684)</u>
<b>Cash flows from Investing Activities</b>	
Purchase of fixed assets	(13,089)
Purchase of investments	(1,132)
Interest received from investments	4,658
Net Cash Provided (Used) by Investing Activities	<u>(9,563)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>(53,813)</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	256,110
<b>Cash and Cash Equivalents, End of Year</b>	\$ <u>202,297</u>

The accompanying notes are an integral part of this statement.

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type - Enterprise Fund**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2003**

Cash and Cash Equivalents shown on Balance Sheet are:

Current Assets		
Cash	\$	141,723
Restricted Assets		
Cash		62,574
<b>Total Cash and Cash Equivalents</b>	<b>\$</b>	<b><u>204,297</u></b>

The accompanying notes are an integral part of this statement.

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type – Enterprise Fund**  
**Notes to the Financial Statements**  
**December 31, 2003**

The accounting and reporting policies of Waterworks District No. 1 (the District) conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following notes to the financial statements are an integral part of the District's financial statements.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. HISTORY**

The District, a component unit of Union Parish Police Jury, was created by the Union Parish Police Jury as authorized by Chapter 9 of Title 33 of the Louisiana Revised Statutes of 1998. The District is governed by a five member Board of Commissioners. The District is responsible for the maintenance and operation of the water system within the boundaries of the water district.

**B. REPORTING ENTITY**

The Governmental Accounting Standards Board (GASB) is the accepted standard setting authority for generally accepted accounting principles as applied to governmental entities. In June 1991, the GASB issued Statement Number 14 "The Financial Reporting Entity." This Statement established criteria for determining which component units of government should be considered part of the primary government for financial reporting purposes.

The basic criteria for determining a component unit is accountability. The Union Parish Police Jury appoints a voting majority of the Board of Commissioners of the District and, therefore, has the ability to impose its will upon the District. The District is also financially dependent upon the Police Jury. Therefore, the District is considered a component unit of the Police Jury, the primary governing body of the parish and the governmental body with oversight responsibility.

**C. BASIS OF ACCOUNTING**

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

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type – Enterprise Fund**  
**Notes to the Financial Statements**  
**December 31, 2003**

applied. The District's records are maintained on an accrual basis. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

**D. BUDGETARY PRACTICES**

The Secretary-Treasurer prepares the annual budget and presents it to the Board for adoption by November 30 of the preceding year. Budgeted amounts, including subsequent amendments, have been included in the accompanying financial statements.

**E. STATEMENT OF CASH FLOWS**

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments (excluding restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**F. INVESTMENTS**

Investments consist of certificate of deposits which are stated at cost plus interest credited to the account.

**G. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment purchased by the District are recorded at cost. Depreciation of all exhaustible fixed assets used by the District is charged as an expense against operations. Depreciation is computed using the straight-line method. Estimated useful lives are 50 years on the water plant and from 5 to 50 years on equipment.

Expenditures for repairs and maintenance are expensed as incurred; significant betterments are capitalized.

**H. VACATION, SICK LEAVE AND RETIREMENT PLAN**

The District does not have formal vacation, sick leave and retirement plan policies.

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type - Enterprise Fund**  
**Notes to the Financial Statements**  
**December 31, 2003**

**I. BAD DEBTS**

Uncollectible amounts for customers' water receivables are generally not significant. As a result, the direct write-off method for recognizing bad debts is used. Under this method, the receivable is charged to expense when the account is deemed to be uncollectible.

**J. RESERVATIONS OF RETAINED EARNINGS**

Some portions of retained earnings are reserved to indicate that a portion of retained earnings is legally restricted to a specific future use and is not available for appropriation or expense.

**K. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual costs could differ from those estimates.

**2. CASH AND INVESTMENTS**

At December 31, 2003, the District's cash and investments, shown on the balance sheet under current assets and restricted assets, consisted of checking, savings, and certificate of deposit accounts. The carrying amounts of these accounts totaled \$227,396 and the corresponding bank balances total of \$233,160. All of the bank balances were covered by federal depository insurance or were adequately collateralized with financial institution assets.

**3. RESTRICTED ASSETS (CASH AND INVESTMENTS)**

Under the terms of the bond agreement and resolution of the Board of Commissioners, the District is required to establish and maintain four restricted asset account types. They are as follows:

1. A customer meter deposit account in which all customer meter deposits are held.
2. A revenue bond and interest sinking fund account from which bond principal and interest are paid. On or before the 28<sup>th</sup> of each month, the District is required to deposit a sum equal to one-twelfth of the total amount of principal and interest

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type - Enterprise Fund**  
**Notes to the Financial Statements**  
**December 31, 2003**

falling due in the following year for the 1980 bonds. A monthly payment of \$1,314.90 is required to be deposited for the 1987 bonds.

3. A reserve fund account in which funds are held for payment of bond principal and interest in the event the sinking fund account is unable to pay. On or before the 20<sup>th</sup> of each month, the District is required to deposit a sum at least equal to five percent of the amount to be paid into the sinking fund provided for in paragraph 2 above. The payments into the reserve are to continue until the reserve equals the highest combined principal and interest falling due in any year for the 1980 bonds. A monthly deposit of \$57 is required for the 1987 bonds.
4. A depreciation and contingency fund account to cover depreciation, extensions, additions, improvements and replacements necessary to properly operate the system. On or before the 20<sup>th</sup> of each month, the District is required to deposit \$86 per month for the 1980 bonds. A monthly deposit of \$68 is required for the 1997 bonds.

The account balances as of December 31, 2003 are listed below:

Customers' Meter Deposit Account	\$ 6,620
Waterworks Reserve Bond and Interest	
Sinking Fund Account - 1980 (81050)	14,124
Waterworks Reserve Fund Account - 1980 (81054)	18,162
Waterworks Depreciation and Contingency	
Fund Account- 1980 (81058)	10,181
Waterworks Sinking Fund Account - 1987 (81057)	12,917
Waterworks Reserve Fund Account - 1997 (81055)	4,610
Waterworks Contingency Fund Account - 1997 (80059)	<u>8,400</u>
<b>TOTAL</b>	<b><u>\$ 73,014</u></b>

**4. LEASES**

The District has a month-to-month operating lease for computer equipment for \$169 per month. For the year ended December 31, 2003 the District paid \$2,022 in connection with the computer equipment and software.

Waterworks District No. 1  
 A Component Unit of Union Parish Police Jury  
 Proprietary Fund Type – Enterprise Fund  
 Notes to the Financial Statements  
 December 31, 2003

5. LONG-TERM LIABILITIES

Revenue Bonds Payable:	December 31,
	<u>2003</u>
<u>1980 Issue</u>	
\$241,000 – 1980 Waterworks District No. 1 bonds payable in annual principal installments of \$8,000 to \$13,000 through September 5, 2003; interest rate of 3.0%	161,000
<u>1997 Issue</u>	
\$270,000 – 1997 Waterworks District No. 1 bonds payable in monthly installments of \$2,830 through August 28, 2010; interest rate of 3.0%	<u>178,855</u>
<b>Total Bonds Payable</b>	<b>339,855</b>
Less: Current Portion	<u>(29,137)</u>
<b>TOTAL LONG-TERM BONDS PAYABLE</b>	<b><u>\$ 308,718</u></b>

The bonds are secured by the revenue earned or derived from operations of the District.

The annual requirement to amortize the long-term obligations outstanding at December 31, 2003, including interest of \$113,007 attributable to Revenue Bonds, is as follows:

	<u>Bonds Payable</u>		
	<u>1980</u>	<u>1997</u>	<u>Total</u>
	<u>Issue</u>	<u>Issue</u>	
2004	14,093	31,538	45,631
2005	14,739	31,538	46,277
2006	14,400	31,538	45,938
2007	14,850	31,538	46,388
2008	14,700	31,538	46,238
2009-2017	<u>178,450</u>	<u>52,884</u>	<u>231,334</u>
<b>Total debt payments</b>	<b><u>\$342,400</u></b>	<b><u>\$218,384</u></b>	<b><u>\$560,784</u></b>

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type – Enterprise Fund**  
**Notes to the Financial Statements**  
**December 31, 2003**

**6. BOARD OF COMMISSIONERS – PER DIEM PAYMENTS**

In compliance with Louisiana Revised Statute 33:3819, the commissioners, with the exception of the president, receive a per diem of \$20 for each meeting they attend to a maximum of 12 meetings per year. The president's per diem is \$50 per meeting up to a maximum of 12 meetings per year.

Board of Commissioners fees for 2003 were as follows:

Name	<u>Number of Meetings</u>	<u>Amount</u>
Charles A. Calcutt	4	\$ 200
Steve Brantley	6	120
Ferris Nolan	5	100
Kim Dumas	3	60
Carolyn Theriault	6	120
Larry Stewart	1	20
Technical Consultants:		
Kathy Doolittle	6	120
Dennis Wade	4	80
J.N. Williams	2	40
<b>TOTAL</b>		<u><b>\$ 820</b></u>

**7. RISK FINANCING ACTIVITIES**

The District manages its exposure under general liability and property through the purchase of commercial insurance and surety bonds, as follows:

<u>Coverage</u>	<u>Expiration Dates</u>
General Liability Insurance	12/30/04
Commercial Property Insurance	12/30/04
Position Schedule Bond	03/31/05

**8. ACCOUNTS RECEIVABLE**

The district provides service to commercial and residential users within the established district. Sales for services for the month December 2003 included 246 users. At December 31, 2003, the District maintained an accounts receivable balance of \$5,646. This balance includes 186 accounts in arrears for a total of \$3,794. The District considers all accounts to be collectible.



**RADIAN L. HENNINGAN**

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

Board of Commissioners  
Waterworks District No. 1  
Farmerville, Louisiana

I have audited the financial statements of Waterworks District No. 1 (the District), a component unit of Union Parish Police Jury, as of and for the year ended December 31, 2003, and issued our report thereon dated June 28, 2004. 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 the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, I considered the District'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. My consideration of the internal control over

Financial reporting would not necessarily disclose all matters in the internal control over financing 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 the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



Radwan L. Hennigan, CPA

June 28, 2004

**WATERWORKS DISTRICT NO. 1  
SCHEDULE OF CURRENT YEAR FINDING AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 1993**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Waterworks District No. 1.
2. No reportable conditions were disclosed during the audit of the financial statements that relate to internal control and compliance.
3. There are no major programs.
4. The threshold for distinguishing Types A and B programs was \$300,000.
5. Waterworks District No. 1 was not determined to be low-risk audit.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

See Management's Corrective Action Plan.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**Watermarks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Managements Corrective Action Plan**  
**For the Year Ended December 31, 2013**

<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
NONE	NONE
<b>SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
N/A	
<b>SECTION III - MANAGEMENT LETTER</b>	
N/A	

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Schedule of Prior Year Findings**  
**For the Year Ended December 31, 2003**

<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
2003-1 Expend items are not recorded until the check has cleared the bank rather than when the check was written.	Resolved.
<b>SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
N/A	
<b>SECTION III - MANAGEMENT LETTER</b>	
N/A	

## SUPPLEMENTARY REPORTS

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type - Enterprise Fund**  
**Balance Sheets**  
**December 31, 2003 and 2002**

	December 31,	
	2003	2002
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 140,725	\$ 209,036
Accounts Receivable - Customers	5,363	18,333
Prepaid Expenses	2,667	-
Total Current Assets	148,755	227,369
<b>Restricted Assets</b>		
Cash	61,574	47,070
Investments	23,099	21,977
Total Restricted Assets	84,673	69,047
<b>Property, Plant and Equipment</b>		
Water Plant and Water Lines	908,495	887,406
Furniture and Equipment	2,024	2,024
Total	910,519	889,430
Less: Accumulated Depreciation	(328,817)	(301,868)
Net Depreciable Assets	581,702	587,562
Land	1,825	1,825
Construction in Progress	-	-
Total Property, Plant and Equipment	583,527	589,387
<b>Other Assets</b>		-
<b>TOTAL ASSETS</b>	<b>\$ 816,959</b>	<b>\$ 886,835</b>

The accompanying notes are an integral part of this statement.

Waterworks District No. 1  
A Component Unit of Union Parish Police Jury  
Proprietary Fund Type - Enterprise Fund  
Balance Sheets  
December 31, 2003 and 2002

	December 31,	
	2003	2002
<b>LIABILITIES AND RETAINED EARNINGS</b>		
<b>LIABILITIES</b>		
<b>Current Liabilities (Payable from Current Assets)</b>		
Accounts Payable	\$ 2,288	\$ 1,334
Total	2,288	1,334
<b>Current Liabilities (Payable from Restricted Assets)</b>		
Accrued Interest Payable	2,701	3,365
Bonds Payable	20,137	8,700
Customers' Meter Deposits	6,629	4,732
	29,467	17,197
Total Current Liabilities	48,756	20,731
<b>Long-term Liabilities</b>		
Bonds Payable	309,898	417,048
Total Long-term Liabilities	309,898	417,048
<b>TOTAL LIABILITIES</b>	<b>358,654</b>	<b>437,779</b>
<b>RETAINED EARNINGS</b>		
<b>Reserved</b>		
Reserved for Debt Service, Depreciation, and Contingency	83,873	60,047
<b>Unreserved</b>		
Undesignated	282,816	370,000
Designated for Prior Year Adjustments	-	-
<b>TOTAL RETAINED EARNINGS</b>	<b>466,689</b>	<b>430,047</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 825,343</b>	<b>\$ 867,826</b>

The accompanying notes are an integral part of this statement.



**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type - Enterprise Fund**  
**Statements of Revenues, Expenses, and Changes in Retained Earnings**  
**For the Years Ended December 31, 2003 and 2002**

	<b>December 31,</b>	
	<b>2003</b>	<b>2002</b>
<b>Operating Revenues</b>		
Water Sales	\$ 134,800	\$ 155,004
Installation Fees	3,700	3,100
<b>Total Operating Revenues</b>	<u>138,500</u>	<u>158,104</u>
<b>Operating Expenses</b>		
Bad Debt	-	1,503
Board of Commissioners' Fees	920	860
Contract Labor	19,400	14,335
Depreciation	19,057	17,348
Equipment Rental	3,022	3,822
Insurance	2,781	3,251
Materials, Repairs, and Supplies	24,987	22,338
Office Expense	2,589	2,178
Other Expense	4,412	3,418
Payroll Taxes	682	682
Professional Fees	3,200	3,200
Salaries	8,917	8,917
Sales Tax	-	-
Utilities	12,647	12,488
<b>Total Operating Expenses</b>	<u>101,814</u>	<u>93,789</u>
<b>Total Operating Income</b>	<u>36,686</u>	<u>64,315</u>
<b>Nonoperating Income (Expense)</b>		
Interest Earned	4,618	4,839
Interest Expense	(20,004)	(21,652)
<b>Total Nonoperating Income (Expense)</b>	<u>(15,387)</u>	<u>(16,813)</u>
<b>Net Income (Loss)</b>	<u>21,299</u>	<u>47,502</u>

The accompanying notes are an integral part of this statement.

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type - Enterprise Fund**  
**Statements of Revenues, Expenses, and Changes in Retained Earnings**  
**For the Years Ended December 31, 2003 and 2002**

	December 31,	
	2003	2002
<b>Prior Year Adjustments</b>		
<b>Retained Earnings at Beginning of Year</b>	448,056	401,474
<b>Retained Earnings at End of Year</b>	\$ 468,359	\$ 448,056

The accompanying notes are an integral part of this statement.

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type - Enterprise Fund**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2003 and 2002**

	December 31,	
	2003	2002
<b>Cash flows from Operating Activities</b>		
Operating Income	\$ 35,916	63,395
Adjustments to reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	19,097	17,748
Changes in:		
Accounts Receivable	12,582	(5,433)
Prepaid Expenses	(2,667)	3,040
Accounts Payable	(1,246)	(289)
Interest Payable	(1,864)	(11)
Total Adjustments	28,872	17,094
Net Cash Provided by Operating Activities	62,588	80,449
<b>Cash flows from Noncapital Financing Activities</b>		
Change in Customers' Meter Deposits	1,888	675
<b>Cash flows from Capital and Related Financing Activities</b>		
Principal payments on bonds payable	(86,692)	(8,767)
Principal payments on notes payable	-	-
Interest paid on bonds and notes payable	(20,064)	(21,652)
Net Cash Provided by Capital and Related Financing Activities	(106,694)	(30,419)
<b>Cash flows from Investing Activities</b>		
Purchase of fixed assets	(12,082)	-
Purchase of investments	(1,122)	(1,198)
Interest received from investments	4,418	4,838
Net Cash used by Investing Activities	(8,786)	2,642
<b>Net Increase in Cash and Cash Equivalents</b>	(51,812)	54,388

The accompanying notes are an integral part of this statement.

**Waterworks District No. 1**  
**A Component Unit of Union Parish Police Jury**  
**Proprietary Fund Type - Enterprise Fund**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2003 and 2002**

	December 31,	
	2003	2002
Cash and Cash Equivalents, Beginning of Year	206,110	204,722
Cash and Cash Equivalents, End of Year	\$ 204,297	206,110
Cash and Cash Equivalents shown on Balance Sheet as:		
Current Assets		
Cash	\$ 141,723	206,038
Restricted Assets		
Cash	62,574	40,070
<b>Total Cash and Cash Equivalents</b>	<b>\$ 204,297</b>	<b>206,108</b>

The accompanying notes are an integral part of this statement.