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CADEVILLE WATER DISTRICT

*Component Unit 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 furnished to the entity and other appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Please Date 7-28-04



CADSVILLE WATER DISTRICT

DECEMBER 31, 2003

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Cadeville Water District
West Monroe, Louisiana

We have audited the accompanying component unit financial statements of the business-type activities of the Cadeville Water District, a component unit of the Ouachita Parish Police Jury, as of and for the year ended December 31, 2003, as listed in the table of contents. These component unit financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these component unit 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, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Cadeville Water District at December 31, 2003, and the respective changes in financial position and cash flows thereof for 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 our report dated April 4, 2004, on our consideration of Cadeville Water District's internal control over financial reporting and our 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.

As described in Note 1, the District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 14, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of December 31, 2003.

Management's discussion and analysis on page 2 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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 the information and express no opinion on it.

Cameron, Hines & Hartt (CPA's)

West Monroe, Louisiana
April 4, 2004

REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**CADSVILLE WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

The following discussion and analysis of the Cadsville Water District's (the District's) financial performance presents management's overview of the District's financial activities for the year ended December 31, 2005. Please read it in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

For the year ended December 31, 2005, the District's Net Cash Provided by Operating Activities was \$48,859.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District operates as an enterprise fund and presents its financial statements using the accrual basis of accounting. As an enterprise fund, the District's basic financial statements include three components: *Government-Wide Financial Statements*, *Fund Financial Statements*, and *Notes to the Financial Statements*.

The *Statement of Net Assets* includes all of the District's assets and liabilities, with the difference between the two reported as net assets. Net assets are reported in three categories: Invested in Capital Assets, Restricted for Debt Service, and Unrestricted. The increases or decrease in the District's net assets are an indicator of whether its financial position is improving or deteriorating. The *Statement of Net Assets* provides a basis for evaluating the capital structure of the District, and assessing its liquidity and financial flexibility.

The *Statement of Activities* shows how the District's net assets changed during the year. All of the current year's revenues and expenses were recorded when the underlying transaction occurs, regardless of the timing of related cash flows. The *Statement of Activities* measures the District's performance over the last year, and whether the District recovered its costs through fees and other revenues.

The *Statement of Cash Flows* provides information regarding the District's cash receipts and cash disbursements during the year. The statement reports cash activity in three categories, Cash Flows from Operations, Cash Flows from Capital and Related Financing Activities, and Cash Flows from Investing Activities. This statement accounts only for transactions that result in cash receipts and cash disbursements.

The *Notes to the Financial Statements* provide a description of the accounting policies used to prepare the financial statements and presents material disclosures required by accounting principles generally accepted in the United States of America that are not otherwise presented in the financial statements.

NET ASSETS

For the year ended December 31, 2003, net assets changed as follows:

Beginning Net Assets	\$ 681,311
Decrease in Net Assets	(18,720)
Ending Net Assets	\$ 662,591

For the year ended December 31, 2003, the District had \$67,870 in depreciation, which caused a decrease in net assets.

CHANGE IN NET ASSETS

The following schedule presents a summary of revenues and expenses for the fiscal year ended December 31, 2003, and their percentage of total.

Revenues	Amount	FY 2003 Percentage of Total
Charges and Fees	\$ 212,471	99.89%
Interest Income	290	.13%
Total Revenues	\$ 212,761	100.00%
Expenses		
Purchases of Services	\$ 48,311	16.33%
Materials and Supplies	34,908	27.59%
Other	14,159	9.23%
Utilities	27,631	13.87%
Depreciation	67,870	25.80%
Interest Expense	28,968	18.63%
Amortization of Bond Cost	660	.27%
Miscellaneous	3,054	1.12%
Total Expenses	\$ 271,462	100.00%

For the year ended December 31, 2003, expenses exceeded revenues. Depreciation expense made up 25% of the District's expenses and lead to the decrease in net assets.

CAPITAL ASSETS

At December 31, 2000, the District's net capital assets were \$954,773 and the accumulated depreciation was \$844,823. The \$6,867 increase in capital assets for the year ended December 31, 2000 was minimal.

Cadoville Water District Capital Assets at December 31, 2000

	Historical Cost	Accumulated Depreciation	Net Capital Assets
Land	\$ 18,250	\$ -	\$ 18,250
Water Systems	1,561,690	(842,890)	718,800
Improvements	18,030	(1,200)	16,830
Furniture & Fixtures	1,628	(812)	816
Totals	\$ 1,599,598	\$ 844,823	\$ 754,775

BOND ADMINISTRATION

At December 31, 2000, the District's Water Revenue Refunding Bonds payable was \$481,329. The bonds are classified in two series. The first series pays 6.125% interest monthly and matures in December of 2008, and the second series pays 5.88% interest semiannual and matures January 1, 2020. Of the \$481,329 payable, the first series accounted for \$12,329 and the second series accounted for \$468,999. Note T to the Financial Statements provides more detailed information.

CONTACTING THE DISTRICT'S MANAGEMENT

The Financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages. If you have questions about this report or need additional financial information, contact the Cadoville Water District, 813 Winfield Road, West Monroe, LA 71290.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CADAVILLE WATER DISTRICT
STATEMENT OF NET ASSETS
DECEMBER 31, 2001

	<u>Business-Type Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 88,172
Accounts Receivable (Net)	25,523
Capital Assets:	
Non-Depreciable	18,210
Depreciable	<u>698,515</u>
TOTAL ASSETS	<u>\$ 1,068,348</u>
LIABILITIES	
Accounts Payable	\$ 5,604
Accrued Expenses	11,789
Refundable Deposits	3,273
Non-Current Liabilities:	
Due Within One Year	
Bonds Payable	36,171
Due in More than One Year	
Bonds Payable	<u>451,008</u>
TOTAL LIABILITIES	603,977
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	479,944
Restricted for Debt Service Unrestricted	<u>117,116</u>
TOTAL NET ASSETS	<u>597,060</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,068,348</u>

The accompanying notes are an integral part of this financial statement.

CARROLL COUNTY DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Change in Net Assets</u>
Business-Type Activities:					
Utilities	\$ 278,900	\$ 352,472	\$ -	\$ -	\$ (18,471)
			General Revenue:		
			Interest		290
			Change in Net Assets		(18,700)
			Net Assets - Beginning		581,511
			NET ASSETS - ENDING		\$ 562,811

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

CARROLL COUNTY WATER DISTRICT
(BALANCE SHEET)
PROPRIETARY FUND TYPE - ENTERPRISE FUND
DECEMBER 31, 2000

ASSETS

Current Assets

Cash and Cash Equivalents (Note 1)	\$	50,956
Accounts Receivable, Net of Allowance for Uncollectibles (Note 3)		25,473
Total Current Assets		76,429

Restricted Assets

Water Revenue Bonds - Reserve Fund		9,838
Water Revenue Bonds - Contingency Fund		9,838
Depreciation Fund - Certificates of Deposit		18,800
Total Restricted Assets		37,316

Excesses, Plant and Equipment, Net (Note 4)		954,771
		954,771

TOTAL ASSETS	\$	1,068,516
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LIABILITIES

Current Liabilities

Accounts Payable	\$	5,684
Accrued Expenses		17,789
Refundable Deposits		5,279
Current Portion of Long-Term Liabilities		38,171
Total Current Liabilities		66,923

Long-Term Liabilities

Water Revenue Refunding Bonds (Note 5)		411,238
		411,238

Total Liabilities and Other Credits		878,161
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NET ASSETS

Invested in Capital Assets,		
Net of Related Debt		473,544
Unrestricted		59,041
Total Net Assets		532,585

TOTAL LIABILITIES AND NET ASSETS	\$	1,068,516
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CADVILLE WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE - INTEREST FUND

	<u>2000</u>
Operating Revenue	
Charges and Fees	\$ 152,473
Operating Expenses	
Purchases of Services	44,131
Materials and Supplies	74,608
Other	14,158
Utilities	37,431
Depreciation	67,876
Total Operating Expenses	<u>238,204</u>
Operating Income	13,512
Non-Operating Revenues (Expenses)	
Interest Income	290
Interest Expense	(18,968)
Amortization of Bond Issue Costs	(400)
Miscellaneous	(1,854)
Total Non-Operating Revenues (Expenses)	<u>(19,828)</u>
Net Income (Loss)	(6,316)
Net Assets - Beginning of the Year, Restated	<u>58,111</u>
NET ASSETS - END OF THE YEAR	<u>\$ 51,795</u>

**CADVILLE WATER DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Business Type Activities Utility Enterprise Fund</u>
Increase in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Receipts From Customers	\$ 228,408
Payments to Provide Services	(178,888)
Payments for General and Administrative	(41,873)
Net Cash Provided by Operating Activities	<u>6,647</u>
Cash Flows from Capital and Related Financing Activities	
Increase in Contributed Capital - Memberships	2,168
Bond Principal Payments	<u>(23,189)</u>
Net Cash Used by Capital and Related Financing Activities	(21,021)
Cash Flows from Investing Activities	
Deposits for Reserve Accounts	(4,834)
Purchase of Property, Plant and Equipment	<u>(5,847)</u>
Net Cash Used by Investing Activities	<u>(10,681)</u>
Net Increase in Cash and Cash Equivalents	6,167
Cash and Cash Equivalents at Beginning of Year	<u>84,879</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 91,046</u>
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities	
Cash Flows From Operating Activities	
Change in Net Assets	\$ (14,700)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	67,870
Decrease in Accounts Receivable	3,861
Decrease in Accounts Payable	(1,834)
Decrease in Accrued Expenses	(1,144)
Increase in Refundable Deposits	290
Net Cash Provided by Operating Activities	<u>\$ 48,084</u>

The accompanying notes are an integral part of this financial statement.

**CADEVILLE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

INTRODUCTION

The Cadaville Water District (the District) is a component unit of the Police Jury of Ouachita Parish. The waterworks district was created by Ordinance No. 7400 dated September 13, 1975. The waterworks district was created to provide water services within the District. The District is governed by a Board of five Commissioners. The Board of Commissioners has ultimate control and authority over the waterworks in the District. The Commissioners meet at least once every sixty days, and they serve without remuneration.

The District services approximately 2,500 residents in Wards 6 and 7 of Ouachita Parish. The District has no employees. Service is provided by a water system consisting of 4 wells, 1 standpipe tower, booster stations and about 60 miles of distribution system.

Note 1 - Summary of Significant Accounting Policies

The District complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 15, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note. For the fiscal year ended December 31, 2000, the Enterprise Fund has adopted the new financial reporting requirements of GASB Statement No. 33 and 34. As a result, an entirely new financial presentation format has been implemented.

A. BASIS OF PRESENTATION

In June, 1999, the GASB unanimously approved statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations and financial statements prepared using full accrual accounting for all Fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements. The Enterprise Fund has elected to implement the general provisions of the Statement in the current year and plans to report capital assets acquired prior to July 1, 2001.

B. BASIC FINANCIAL STATEMENTS

Government-wide financial statements - The statement of net assets and statement of activities display information about the reporting government as a whole.

**CADEVILLE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

Note 1 - Summary of Significant Accounting Policies (continued)

C. FUND ACCOUNTING

The District's funds are enterprise funds. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

D. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury is the financial reporting entity for Ouachita Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations 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 inclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criteria 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.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints a voting majority of its governing body, the Cadoville Water District was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

CADAVILLE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

Note 1 - *Summary of Significant Accounting Policies (continued)*

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus - The government-wide financial statements are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or ratably accreted.

Basis of Accounting - The government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and non-exchange like transactions are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on a modified accrual basis of accounting. Revenues are recognized when "measurable and available". Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and service. The District also recognizes as operating revenue the portion of tag fees intended to cover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

F. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Actual results could differ from these estimates.

**CADEVILLE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002**

Note 1 - Summary of Significant Accounting Policies (continued)

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. For purposes of the statements of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. 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.

H. FIXED ASSETS

Fixed assets of the District are stated at cost and are included on the balance sheet if the fixed interest costs incurred during construction are not capitalized. Depreciation of all depreciable fixed assets are charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of 7-20 years.

I. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the Enterprise Fund.

J. FUND EQUITY

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of these assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**CADEVILLE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

Note 2 - Cash and Cash Equivalents

The District has cash and cash equivalents (bank balances) totaling \$88,173 at December 31, 2003 as follows:

Demand Deposits	\$ 26,666
Money Market Accounts	41,686
Certificates of Deposit	<u>19,821</u>
TOTAL	\$ 88,173

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times 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 manually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2003, are secured as follows:

Bank Balances	\$ 89,179
Federal Deposit Insurance	\$ 100,000
Pledged Securities (Uncollateralized)	<u>(89,421)</u>
TOTAL	\$ 189,758

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the District, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C28.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand.

Note 3 - Accounts Receivable

At December 31, 2003, the District's accounts receivable consisted of the following:

Water Accounts Receivable	\$ 28,423
Less: Allowance for Doubtful	<u>(1,180)</u>
TOTAL	\$ 27,243

CADEVILLE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

Note 4 - Property, Plant and Equipment

Capital asset activity for the year ended December 31, 2003 is as follows:

	December 31, 2003			December 31, 2002
	Balance	Addition	Deletion	Balance
Non-Depreciable Assets:				
Land	\$ 13,758	\$ 2,508	\$ -	\$ 16,266
Depreciable Assets:				
Water System	1,758,123	3,367	-	1,761,490
Improvements	18,000	-	-	18,000
Furniture & Fixtures	1,628	-	-	1,628
Total at Historical Cost	<u>1,784,509</u>	<u>6,875</u>	<u>-</u>	<u>1,791,384</u>
Less Accumulated Depreciation for:				
Water System	(775,894)	(66,817)	-	(842,711)
Improvements	(811)	(711)	-	(1,522)
Furniture & Fixtures	(811)	(352)	-	(1,163)
Total Accumulated Depreciation	<u>(776,516)</u>	<u>(67,880)</u>	<u>-</u>	<u>(844,396)</u>
CAPITAL ASSETS, NET	<u>\$1,007,993</u>	<u>\$6,895</u>	<u>\$ -</u>	<u>\$1,014,889</u>

Depreciation expense was \$67,858 in 2003.

Note 5 - Restricted Assets

Restricted assets consist of a certificate of deposit reserved as a depreciation fund. The certificate has a maturity date of six months from the issue date and is secured by Federal deposit insurance. Also in restricted assets, monthly payments are to be made into a Bond Reserve Fund in an amount equal to 3% of the monthly Sinking Fund payment until the amount in the reserve fund equals the highest combined debt service requirements in any future year of the bonds. Monthly payments also are to be made into a Contingency Fund in an amount equal to 3% of the monthly Sinking Fund payment over the life of the bonds. These payments are made to satisfy the debt service requirements of the Water Revenue Bond Series 1992 and Series 2000.

Note 6 - Leases

The District leases land under a long-term operating lease agreement. The future minimum lease payments are as follows:

2004	\$ 500
2005	\$ 500
2006	\$ 500

Total Remaining Lease Obligation \$ 1,500

CADWILLE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2003

Note 7 - Long-Term Liabilities

Long-term liabilities, including amounts currently payable consists of:

	Balance December 31, 2002	Addition	Reductions	Balance December 31, 2003	Amounts Due Within One Year
Water Revenue Refunding Bonds, Series 1992, Bearing Interest at 6.125%, Payable Monthly Through December 2008.	\$ 28,608	\$ -	\$ 17,189	\$ 11,419	\$ 14,170
Water Revenue Refunding Bonds, Series 2000, Bearing Interest at 5.85%, Payable January 1 and July 1 Through January 1, 2008.	458,000	_____	18,800	439,200	18,000
TOTALS	\$ 514,618	\$ _____	\$ 36,089	\$ 481,229	\$ 32,170

The required annual principal and interest payments for long-term liabilities outstanding at December 31, 2003, are as follows:

	Principal	Interest	Total
2004	\$ 30,171	\$ 30,164	\$ 60,335
2005	19,115	28,078	47,193
2006	18,800	25,107	43,907
2007	20,000	21,999	41,999
2008	38,895	23,372	62,267
2009 - 2014	155,800	187,221	343,021
2015 - 2020	289,818	91,893	381,711
TOTALS	\$ 481,229	\$ 278,892	\$ 760,121

Cash paid for interest was \$29,378 in 2003.

Note 8 - Restatement of Beginning Retained Earnings

Previously reported contributed capital is no longer required with the implementation of GASB Statement No. 34 and has been reclassified as net assets. The results of the restatement for the beginning retained earnings for the Enterprise Fund is as follows:

Beginning of year	\$ 375,878
Reclassified Contributed Capital	(84,711)
Beginning of year, restated	\$ 291,167

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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

To The Board of Commissioners

Cadoville Water District

West Monroe, Louisiana

We have audited the component unit financial statements of the business-type activities of the Cadoville Water District, a component unit of Ouachita Parish Police Jury, as of and for the year ended December 31, 2003, and have issued our report thereon dated April 4, 2004. We conducted our audits 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 Cadoville Water District's component unit 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 audits 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 Cadoville Water District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit 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 component unit 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 that we consider to be material weaknesses.

To The Board of Commissioners
Cadevi In Water District
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This report is intended for the information of management and the Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cameron, Hines & Hunt (APAC)

West Monroe, Louisiana
April 4, 2004

**CADAVILLE WATER DISTRICT
SCHEDULE OF FINDINGS AND CORRECTIVE ACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2003**

To The Board of Commissioners
Cadaville Water District
West Monroe, Louisiana

We have audited the component unit financial statements of the business-type activities of the Cadaville Water District as of and for the year ended December 31, 2003, and have issued our report thereon dated April 4, 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 contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2003, resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

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

Internal Control

Material Weaknesses yes X no Reportable Conditions yes X no

Compliance

Compliance Material to Financial Statements yes X no

B. Federal Awards - N/A

Internal Control

Material Weaknesses yes no Reportable Conditions yes no

Type of Opinion on Compliance
For Major Programs

Unqualified Qualified
Disclaimer Adverse

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

C. Identification of Major Programs - N/A

CFDA Number(s)

Name of Federal Program (or cluster)

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

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? yes no N/A

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs - N/A

**CADEVILLE WATER DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2000**

- Section I - Internal Control and Compliance Material to the Financial Statements
No findings were reported under this section.
- Section II - Internal Control and Compliance Material to Federal Awards
This section is not applicable for this entity.
- Section III - Management Letter
No management letter was issued.

**CADSVILLE WATER DISTRICT
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2011**

- Section I - Internal Control and Compliance Material to the Financial Statements
No findings were reported under this section.
- Section II - Internal Control and Compliance Material to Federal Awards
This section is not applicable for this entity.
- Section III - Management Letter
No management letter was issued.