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**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana**

General Purpose Financial Statements

June 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12-29-04

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana**

**General Purpose Financial Statements
For the Year Ended June 30, 2004
With Supplemental Information Schedules**

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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

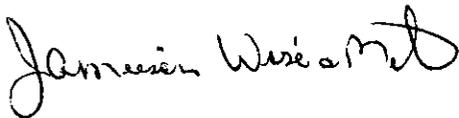
ACCOUNTANTS' COMPILATION REPORT

To the Management of the Sarepta Waterworks
District of Webster Parish:

We have compiled the accompanying general purpose financial statements of the Sarepta Waterworks District of Webster Parish, as of and for the year ended June 30, 2004, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the Sarepta Waterworks District of Webster Parish. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated November 4, 2004, on the results of our agreed-upon procedures.



Minden, Louisiana
November 4, 2004

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Management of the Sarepta Waterworks
District of Webster Parish:

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Sarepta Waterworks District of Webster Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Sarepta Waterworks District of Webster Parish's compliance with certain laws and regulations during the year ended June 30, 2004, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

The district made no expenditures either for materials and supplies exceeding \$15,000 or public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1224 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtained from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management is not required by LSA-RS 39:1301-14 to adopt a budget for its proprietary fund.

6. Trace the budget adoption and amendments to the minute book.

Management is not required by LSA-RS 39:1301-14 to adopt a budget for its proprietary fund.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Management is not required by LSA-RS 39:1301-14 to adopt a budget for its proprietary fund.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All six payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated all items selected received approval. In addition, the five of six disbursements were traced to the district's minute book where they were approved by the full commission. One of six disbursements was a routine disbursement approved by the president of the commission as indicated by his signature on the cancelled check.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Sarepta Waterworks District of Webster Parish is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than observing that the notice for the regular district meeting is posted to the wall of the district building where the meetings are held.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits, which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

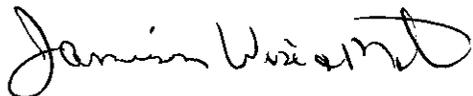
11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advance or gifts.

A reading of the minutes indicated no approval for bonuses, advances, or gifts to be made to employees. We inspected records for the year and noted no instances, which would indicate payments to employees, which would constitute bonuses, advances, or gifts.

Our prior year report dated September 24, 2003, did not include any comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Sarepta Waterworks District of Webster Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "Jamir Wright". The signature is written in a cursive style with a large, stylized initial "J".

Minden, Louisiana
November 4, 2004

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

_____ (Date Transmitted)

Jamieson, Wise & Martin
601 Main St.
Minden LA 71055

(Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No [] **NA**

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u>Barland Hughes</u>	<u>Vice President</u>	
<u>Toni Craighhead</u>	<u>Secretary</u>	<u>Date</u>
<u>Jimmie Crisp</u>	<u>Treasurer</u>	<u>June 30-04</u> <u>Date</u>
	<u>President</u>	<u>June 28-04</u> <u>Date</u>

Note: If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana**

**Balance Sheet
June 30, 2004**

Assets

Current assets:

Unrestricted -

Cash	\$ 26,466
Investments	194,531
Accounts receivable - trade	9,113
Accounts receivable - other	522
Unbilled receivables	2,980
Interest receivable	<u>772</u>
	234,384

Restricted -

Cash	<u>18,659</u>
------	---------------

Total current assets	<u>253,043</u>
-----------------------------	----------------

Property, plant and equipment:

Land	9,100
Utility plant and improvements	347,419
Equipment/office improvements	70,608
Construction in progress	<u>40,251</u>
	467,378

Less: accumulated depreciation	<u>(281,887)</u>
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Total property, plant and equipment	<u>185,491</u>
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Total assets	<u>\$ 438,534</u>
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Liabilities and Equity

Current liabilities:

Payable from unrestricted assets -

Accounts payable	\$ 7,868
Payroll taxes payable	182
Sales tax payable	<u>37</u>
	8,087

Payable from restricted assets -

Customer meter deposits	<u>16,235</u>
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Total current liabilities	24,322
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Fund equity:

Retained earnings	<u>414,212</u>
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Total liabilities and equity	<u>\$ 438,534</u>
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The accompanying notes are an integral part of these financial statements.

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana**

**Statements of Income and Retained Earnings
For the Years Ended June 30, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Water sales	\$ 80,409	80,368
Tap charges	1,800	600
Penalties	4,655	4,210
Reconnect charges	238	161
Miscellaneous	<u>2,276</u>	<u>-</u>
Total operating revenues	<u>89,378</u>	<u>85,339</u>
Operating expenses:		
Wages and contract labor	26,726	26,967
Maintenance and supplies	15,245	26,615
Utilities	11,093	9,380
Transportation	2,535	1,821
Office	3,422	3,368
Insurance	6,668	6,481
Legal and auditing	1,331	2,490
Commissioners expense	3,600	3,600
Payroll taxes	1,804	1,772
Depreciation	11,307	12,268
Bad debt	133	248
Miscellaneous	<u>1,440</u>	<u>1,469</u>
Total operating expenses	<u>85,304</u>	<u>96,479</u>
Income (loss) from operations	<u>4,074</u>	<u>(11,140)</u>
Nonoperating revenues (expenses):		
Investment fees	(21)	(15)
Interest income	1,680	20,089
Grant - Office of Rural Development	<u>19,000</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>20,659</u>	<u>20,074</u>
Net income	24,733	8,934
Retained earnings, beginning of year	<u>389,479</u>	<u>380,545</u>
Retained earnings, end of year	<u>\$ 414,212</u>	<u>\$ 389,479</u>

The accompanying notes are an integral part of these financial statements.

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana**

**Statements of Cash Flows
For the Years Ended June 30, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Net income (loss) from operations	\$ 4,074	(11,140)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,307	12,268
(Increase) decrease in:		
Accounts receivable - trade	(367)	(290)
Accounts receivable - other	-	(14)
Unbilled receivables	(1,686)	1,179
Increase (decrease)		
Accounts payable - trade	(61)	(806)
Payroll taxes payable	138	22
Sales tax payable	19	(274)
Customers' meter deposits	<u>560</u>	<u>100</u>
Net cash provided by operating activities	<u>13,984</u>	<u>1,045</u>
Cash flows from capital and related financing activities:		
Purchases of property, plant and equipment	<u>(12,035)</u>	<u>(17,884)</u>
Net cash (used) by capital and related financing activities	<u>(12,035)</u>	<u>(17,884)</u>
Cash flows from investing activities:		
Purchase investments	(10,913)	(10,298)
Investment fees	(21)	(15)
Interest earned	<u>10,957</u>	<u>10,372</u>
Net cash provided by investing activities	<u>23</u>	<u>59</u>
Net increase (decrease) in cash	1,972	(16,780)
Cash and cash equivalents at beginning of year	<u>43,153</u>	<u>59,933</u>
Cash and cash equivalents at end of year	<u>\$ 45,125</u>	<u>43,153</u>

The accompanying notes are an integral part of these financial statements.

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2004**

INTRODUCTION

The Sarepta Waterworks District of Webster Parish was created under Revised Statutes 33:3811, by the Webster Parish Police Jury, by Ordinance No. 502, on September 2, 1958. As a result, the District is a component unit of the Police Jury, which has the authority to appoint all members of the Board of Waterworks Commissioners.

1. Summary of Significant Accounting Policies:

A. Basis of Presentation

The accompanying general purpose financial statements of the Sarepta Waterworks District of Webster Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The district is a component unit of the Webster Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the district because it appoints a voting majority of the board and has the ability to impose its will on them.

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.

C. Fund Accounting

The operations of the Sarepta Waterworks District of Webster Parish are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. The component unit is considered an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the cost (expenses, including

SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2004

depreciation) of providing water services to the general public of a continuing basis is financed through user charges.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets. The accrual basis of accounting is utilized by proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

E. Budgets and Budgetary Accounting

The Sarepta Waterworks District of Webster Parish is not required by state law to formally adopt a budget for proprietary funds and generally accepted accounting procedures do not require budgetary comparison of financial statements.

F. Encumbrances

The Sarepta Waterworks District of Webster Parish does not use encumbrance accounting.

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing deposits and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2004**

H. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:29558 and the district's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The district's investments are reported at fair value, which is determined using selected bases in accordance with GASB Statement No. 31. Short-term investments are reported at cost, which approximates fair value. Long-term investments, those with original maturities greater than one (1) year, are valued at the last reported sales price at current exchange rates.

I. Inventories

Supplies used to repair water lines, pumps, and meters, are immaterial and are expensed when purchased which is consistent with prior years.

J. Property, Plant & Equipment

Fixed assets used in the proprietary fund operations are included in the balance sheet of the fund net of accumulated depreciation. Additions to property, plant & equipment are recorded at cost. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized. The sale or disposal of fixed assets is reconciled by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation has been calculated on each class of depreciable property using the straight-line method, with a monthly prorating in the year of acquisition and disposition. Estimated useful lives are as follows:

Utility plant and additions and Water Wells	40 Years
Transportation equipment	5-10 Years
Office equipment/improvements	5-8 Years

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2004**

K. Pension Plan

The district does not participate in a pension plan and therefore has no unfunded liability.

L. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Sarepta Waterworks District of Webster Parish considers all highly liquid investments (including restricted assets) to be cash equivalents.

M. Bad Debts

Uncollectible amounts due for customer accounts are recognized as bad debts through the use of the direct write-off method at the time information becomes available which would indicate the uncollectibility of the particular receivable. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting procedures.

2. Cash

At June 30, 2004, the district had cash and cash equivalents totaling \$45,125 as follows:

Demand deposits	\$ 51
Interest-bearing demand deposits	<u>45,074</u>
Total	<u>\$ 45,125</u>

These deposits are stated at cost, which approximates market. Under state law, these 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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2004, the district had \$94,460

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2004**

in collected bank balances (including certificates of deposit). These deposits are secured from risk by \$100,000 of federal deposit insurance.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, 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 has failed to pay deposited funds upon demand.

3. Investments

The District is authorized to invest in the following types of investments:

1. Direct U.S. Treasury obligations, the principal and interest of which are fully guaranteed by the U.S. government,
2. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the U.S., and
3. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities, which are federally sponsored.
4. Direct security repurchase agreements of any federal bank entry only securities enumerated in items (1) – (3) above.
5. Time certificates of deposit of state banks organized under the laws of Louisiana, or national banks having their principal offices in the state of Louisiana.

At fiscal year end, the district's investment balances were as follows:

	<u>Fair value</u>	<u>Cost</u>
Certificates of Deposit	\$ 48,003	48,003
U.S. Agency & Treasury Bonds	<u>143,007</u>	<u>145,491</u>
	191,010	193,494
Money market (cash)	<u>3,521</u>	<u>3,521</u>
Total investments	\$ <u>194,531</u>	<u>197,015</u>

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2004**

4. Property, Plant and Equipment:

The following is a summary of proprietary fund fixed assets at June 30, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Land	\$ 9,100	9,100
Utility plant and additions	248,289	247,318
Equipment	60,068	58,473
Office equipment/improvements	10,540	10,540
Water Well #3	81,596	81,596
Water well improvements	17,534	12,544
Construction in progress	<u>40,251</u>	<u>10,756</u>
	467,378	430,327
Less: accumulated depreciation	<u>(281,887)</u>	<u>(270,579)</u>
Net property, plant and equipment	<u>\$ 185,491</u>	<u>159,748</u>

Changes during year:

	<u>Land</u>	<u>Utility plant</u>	<u>Equipment</u>	<u>Office equipment</u>	<u>Water Well #3</u>	<u>Well Improvements</u>	<u>Construction in progress</u>
Balances as of 6/30/03	\$ 9,100	247,318	58,473	10,540	81,596	12,544	10,756
Additions	-	972	1,595	-	-	4,989	29,495
Deletions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balances as of 6/30/04	<u>9,100</u>	<u>248,290</u>	<u>60,068</u>	<u>10,540</u>	<u>81,596</u>	<u>17,533</u>	<u>40,251</u>

5. Leases:

Sarepta Waterworks District of Webster Parish has a lease with the Webster Parish School Board for 40 years, with the option to renew the lease for six successive ten year periods upon the same terms and conditions set forth in the original agreement dated July 1, 1984, for the sum of \$1 per year. The lease is subject to the following provisions:

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
 WEBSTER PARISH POLICE JURY
 Sarepta, Louisiana
 Notes to the Financial Statements
 For the Year Ended June 30, 2004**

- a) The property must be used for the purpose of the operation and maintenance of a well and booster station site and for the operation of the water system by Sarepta Waterworks District of Webster Parish.
- b) The District must maintain liability insurance for operations conducted on the subject property in an amount not less \$100,000 per accident.

Future payments are as follows:

June 30, 2005	\$ 1
June 30, 2006	1
June 30, 2007	1
June 30, 2008	1
June 30, 2009	1
All future years	<u>15</u>
	<u>\$ 20</u>

6. Compensated Absences:

No formal policy exists for sick leave that provide for accumulation of benefits. Effective April 8, 2003, regular employees receive 10 days paid vacation a year.

7. Correction of presentation of comparative statement of cash flows:

During the fiscal year ended June 30, 2004, the balance of cash and cash equivalents at the beginning of July 1, 2003, was reduced from \$88,869 to \$43,153. The reduction was due to the reclassification of the district's certificates of deposit from cash equivalents to investments. In the prior year, certificates of deposit in the amount of \$45,716, were considered cash equivalents. However, these certificates of deposit have a maturity of more than 90 days, thus should be classified as investments, instead of cash equivalents.

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana**

**Supplemental Information Schedules
For the Year Ended June 30, 2004**

COMPENSATION PAID BOARD OF COMMISSIONERS

A schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 2).

CURRENT YEAR FINDINGS

The corrective action plan for current year findings is presented in Schedule 3.

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Schedule of Compensation Paid Board of Commissioners
For the Year Ended June 30, 2004**

Because of the constant participation of members of the Board of Commissioners in day to day activities of the District, the members are paid a monthly per diem instead of a per diem based on attendance at board meetings. Payments to the board members are as follows:

	For the years ended	
	June 30, <u>2004</u>	June 30, <u>2003</u>
James Wood	\$ 720	720
P.S. Phillips	0	180
Pat Modisette	720	540
Denis Rhymes	720	720
Jimmie Tripp	720	720
Garland Hughes	<u>720</u>	<u>720</u>
 Total	 \$ <u>3,600</u>	 <u>3,600</u>

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2004**

For the compilation/attestation performed for the year ended June 30, 2003, no findings were noted that were required to be reported as a result of performing agreed-upon procedures on management's representations contained in the Louisiana Attestation Questionnaire.

**SAREPTA WATERWORKS DISTRICT OF WEBSTER PARISH
WEBSTER PARISH POLICE JURY
Sarepta, Louisiana
Corrective Action Plan for Current Year Findings
For the Year Ended June 30, 2004**

For the compilation/attestation performed for the year ended June 30, 2004, no findings were noted that were required to be reported as a result of performing agreed-upon procedures on management's representations contained in the Louisiana Attestation Questionnaire.