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**LaSalle Waterworks District No. 1
LaSalle Parish Police Jury**

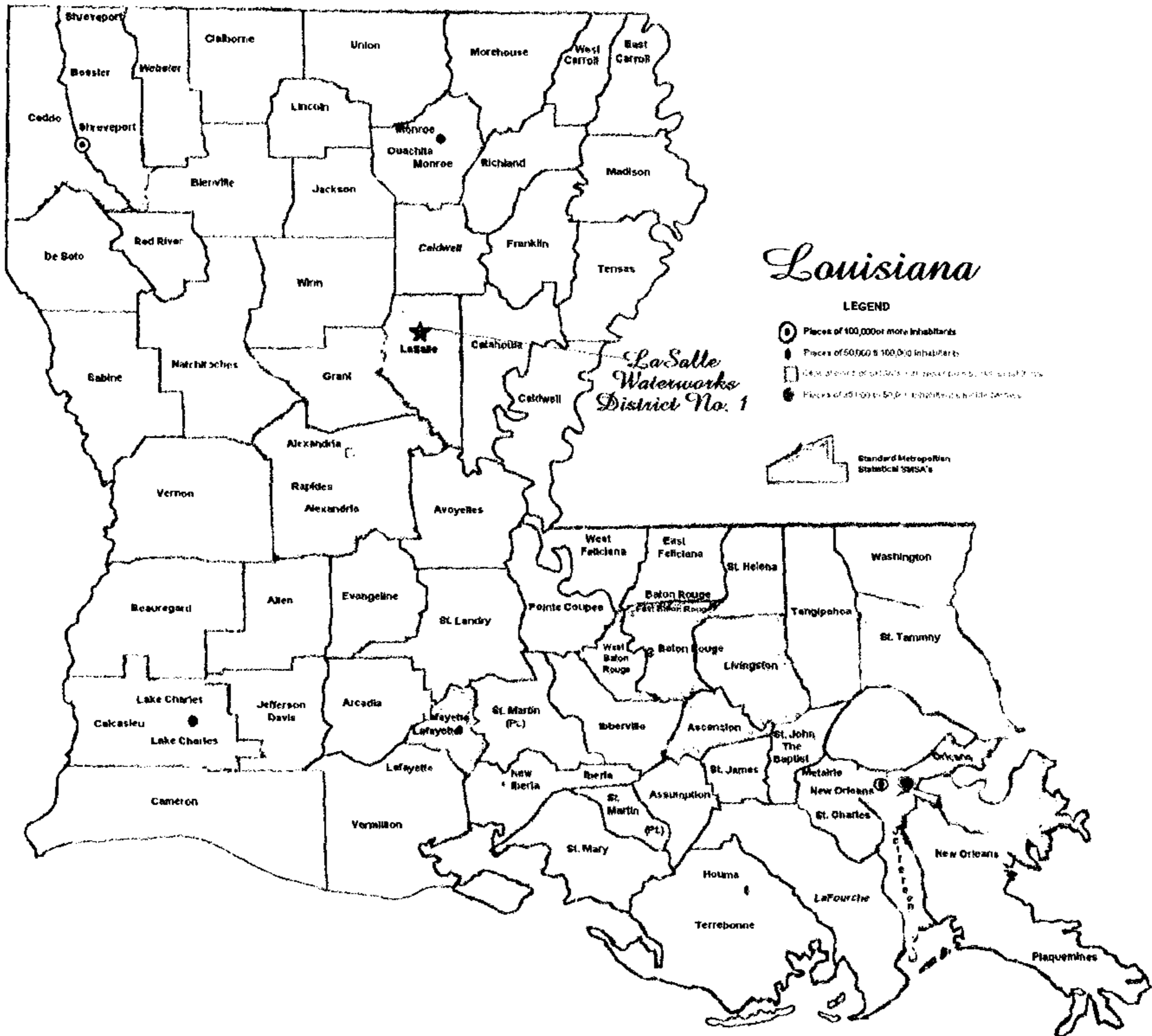
*COMPONENT UNIT FINANCIAL STATEMENTS
COMBINING & INDIVIDUAL FUNDS,
ACCOUNT GROUP STATEMENTS, SCHEDULES
& GRAPHS*

December 31, 1999

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 MAY 3 1 2000

LASALLE WATERWORKS DISTRICT NO. 1
TROUT, LA. 71371



*** LaSalle Waterworks District No. 1**

LaSalle Waterworks District No. 1 was created by the LaSalle Parish Police Jury, as authorized by Louisiana Revised Statute 33:4562. The Waterworks District is administered by a board of five commissioners who are appointed by the LaSalle Parish Police Jury. The district owns and operates water facilities and engages in activities designed to provide water to the Goodpine, Trout and Midway Communities.

LASALLE PARISH WATERWORKS DISTRICT NO. 1
LASALLE PARISH POLICE JURY
JENA, LA.

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JOHN R. VERCHER PC

Certified Public Accountant

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Jena, Louisiana 71342

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ACCOUNTANT'S COMPILATION REPORT ON COMPONENT UNIT FINANCIAL STATEMENTS

Board of Commissioners
LaSalle Parish Waterworks District No. 1
LaSalle Parish Police Jury
Jena, Louisiana 71342

I have compiled the component unit financial statements and graphs of the LaSalle Waterworks District No. 1, as of and for the year ended December 31, 1999, as listed in the table of contents, in accordance with Statements of 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. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Government Audit Guide and the provisions of state law, I have issued a report, dated February 18, 2000, on the results of our agreed-upon procedures.

February 18, 2000
Jena, Louisiana

John R. Vercher

JOHN R. VERCHER PC

Certified Public Accountant

P.O. Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of
LaSalle Parish Waterworks
District No. 1
LaSalle Parish Police Jury
Jena, Louisiana 71342

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of LaSalle Parish Waterworks District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about LaSalle Waterworks District No. 1's compliance with certain laws and regulations during the year ended December 31, 1999 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. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I 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 \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

* I found no such expenditures.

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (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 me with the required list including the noted information.

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

* Management provided me 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.

- * The District has no general funds to budget.

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

- * Not applicable

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

- * Not applicable

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;

- * I 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 of the 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 approvals from the clerk and the chairman of the Board of Commissioners.

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 District meets on the third Monday of each month.

Debt

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

- * I 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 of the district for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

I was 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, I did not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of LaSalle Waterworks District No. 1 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. However, this report is a matter of public record and its distribution is not limited.

John R. Vercher

Jena, Louisiana

February 18, 2000

LASALLE PARISH WATERWORKS DISTRICT NO. 1
LASALLE PARISH POLICE JURY
PROPRIETARY - ENTERPRISE FUND
BALANCE SHEET
DECEMBER 31, 1999

ASSETS

Current Assets

Cash	\$ 70,909
Depreciation Cash (Unrestricted)	48,975
Accounts Receivable (Note 2)	13,607
	13,607
Total Current Assets	\$ 133,491

RESTRICTED ASSETS

Meter Deposits	\$ 36,234
Plant and Equipment at Cost, Net of Depreciation of \$280,859 for 1999	\$ 155,052

TOTAL ASSETS	\$ 324,777
---------------------	-------------------

LIABILITIES AND FUND EQUITY

Current Liabilities

Accounts Payable	\$ 2,810
Notes Payable	18,273
	18,273
TOTAL CURRENT LIABILITIES	\$ 21,083

CURRENT LIABILITIES (Payable from Restricted Assets)

Deposits Subject to Refund	\$ 27,344
TOTAL LIABILITIES	\$ 48,427

RETAINED EARNINGS

Unreserved	\$ 276,351
TOTAL RETAINED EARNINGS	\$ 276,351
TOTAL LIABILITIES AND FUND EQUITY	\$ 324,777

See Accountant's Compilation Report
 The notes to the financial statements are an integral part of this statement.

LASALLE PARISH WATERWORKS DISTRICT NO. 1
LASALLE PARISH POLICE JURY
PROPRIETARY - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1999

OPERATING REVENUE

Charges for Services-	
Water Sales	\$ 142,615
Delinquent Fees	875
Miscellaneous	482
Tap Fees	2,386

TOTAL OPERATING REVENUE	\$ 146,358

OPERATING EXPENSES

Salaries	\$ 86,247
Office Expenses	3,911
Official Journal	343
Insurance	8,072
Maintenance & Repairs	14,239
Supplies	12,118
Utilities & Telephone	17,660
Depreciation	15,059
Truck Expense	1,504
Other Operating Expenses	2,868

TOTAL OPERATING EXPENSES	\$ 162,021

OPERATING INCOME (LOSS) **\$ (15,663)**

NON-OPERATING REVENUE (EXPENSES)

Fire Protection Collections	\$ 26,654
Interest Income	4,115
Fire Protection Remittance	(22,902)
Interest Expense	(631)

TOTAL NON-OPERATING REVENUE (EXPENSES) **\$ 7,236**

NET INCOME (LOSS) **\$ (8,427)**

RETAINED EARNINGS BEGINNING OF YEAR **\$ 284,778**

RETAINED EARNINGS END OF YEAR **\$ 276,351**

See Accountant's Compilation Report
The notes to the financial statements are an integral part of this statement.

**LASALLE PARISH WATERWORKS DISTRICT NO. 1
LASALLE PARISH POLICE JURY
PROPRIETARY FUND**

*Statement of Cash Flows
for the Year Ended December 31, 1999*

Cash from Operations:	
Net Income	\$ (8,427)
Adjustments to Net Income:	
Add – Depreciation	\$ 15,059
Decrease in Allowance for Bad Debt	50
Decrease in Accounts Receivable	(1,007)
Increase in Accounts Payable	13,902
Total Additions	\$ 28,004
Cash Provided by Operations	\$ 19,577
Cash Provided from Customer Deposits	2,830
Total Cash Provided	\$ 22,407
Cash Was Applied To:	
Restricted Funds	\$ 2,039
Equipment	20,432
Total Cash Applied	\$ 22,471
Increase (Decrease) in Cash Flow	\$ (64)
Cash Beginning of Year	119,949
Cash End of Year	<u>\$ 119,885</u>

See Accountant's Compilation Report
The notes to the financial statements are an integral part of this statement.

LASALLE PARISH WATERWORKS DISTRICT NO. 1
LASALLE PARISH POLICE JURY

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

LaSalle Waterworks District No. 1 was created by the LaSalle Parish Police Jury, as authorized by Louisiana Revised Statute 33:4562. The Waterworks District is administered by a board of five commissioners who are appointed by the LaSalle Parish Police Jury. The district owns and operates water facilities and engages in activities designed to provide water to the Goodpine, Trout and Midway Communities.

For financial reporting purposes, the district is a component unit of the LaSalle Parish Police Jury, the governing body of the parish. The accompanying financial statements present financial information only on the funds and account groups maintained by LaSalle Waterworks District No. 1 and do not present information on the Police Jury and the general government services provided by that governmental unit or any of its other component units.

A. FUND ACCOUNTING

LaSalle Waterworks District No. 1 is organized and operated on a fund basis whereby a separate set of self-balancing accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues and expenses.

B. 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 measurement focus applied.

The Waterworks District's records are maintained on a cash basis of accounting. However, the fund reported in the accompanying financial statements has been converted to an accrual basis of accounting utilizing the following practices in recording revenues and expenses:

Revenues

Operating income (water sales) is recorded when billed.

Interest income on investments is recorded when the investments have matured and the income is available.

Substantially all other revenues are recorded when received.

The District collects from its customers a "Fire Protection Fee" and remits part of the same to the Jena Fire Department. The customers are under no obligation to pay the fee, nor is the district under any obligation to remit the same to the fire department.

Expenses

Expenses are generally recognized under the accrual basis of accounting when the related liability is incurred.

LASALLE PARISH WATERWORKS DISTRICT NO. 1
LASALLE PARISH POLICE JURY

Notes to Financial Statements
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT.)

Fixed Asset Depreciation

All fixed assets are reported at cost and depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation is reported over the useful lives of the assets using the straight-line method. The estimated useful lives follows:

Water System	50 Years
Miscellaneous Equipment	8 Years

C. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 those estimates.

D. BUDGETS AND BUDETARY ACCOUNTING

The only fund the District uses is a proprietary fund, therefore, there is no budget prepared.

E. ENCUMBRANCES

The District does not utilize encumbrance accounting.

F. CASH AND INVESTMENTS

Deposits

It is the District's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The District's deposits are categorized to give an indication of the level of risk assumed by the District at year end. The categories are describes as follows:

- *Category 1* - Insured or collateralized with securities held by the District or by its agent in the District's name.
- *Category 2* - Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- *Category 3* - Uncollateralized.

LASALLE PARISH WATERWORKS DISTRICT NO. 1
LASALLE PARISH POLICE JURY

Notes to Financial Statements
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT.)

F. CASH AND INVESTMENTS - (Cont.)

	Bank of Jena 12/31/99	Sabine Bank 12/31/99
Bank Statement Balances	\$ 111,244	\$ 48,835
Secured as Follows:		
FDIC (Category -- 1)	\$ 100,000	\$ 48,835
Uncollateralized (Category - 3)	11,244	-0-
Total	\$ 111,244	\$ 48,835

2. ACCOUNTS RECEIVABLE

The receivables at December 31, 1999 are detailed below:

Water Sales	\$ 14,323
Allowances for Bad Debt	(716)
Total	\$ 13,607

3. CHANGES IN FIXED ASSETS

System Cost 12-31-98	\$ 415,478
Additions	20,432
Total Cost 12-31-99	\$ 435,910
Less Allowance for Depreciation (as of 12-31-99)	(280,859)
Net Fixed Assets 12-31-99	\$ 155,051

4. CHANGES IN LONG-TERM DEBT

The following is a summary of installment notes payable transaction of the LaSalle Waterworks District for the year ended December 31, 1999.

	Balance 12-31-98	Additions	Deletions	Balance 12-31-99
Notes Payable	\$ -0-	\$ 20,433	\$ 2,160	\$ 18,273

**LASALLE PARISH WATERWORKS DISTRICT NO. 1
LASALLE PARISH POLICE JURY**

*Notes to Financial Statements
(Continued)*

4. CHANGES IN LONG-TERM DEBT - (CONT.)

Notes

Installments notes payable at December 31, 1999 are comprised of the following issues

Note to Contractors Finance Co. L.L.C. originated for \$22,433, bearing interest at 6.25%, payable in 30 monthly installments beginning July 26, 1999 and ending June 26, 2004.

\$ 18,273

The annual requirements to amortize all debt outstanding as of December 31, 1999, including interest payments of are as follows:

<u>Year Ending December 31,</u>	<u>Notes Payable</u>
2000	\$ 4,744
2001-2004	16,604
Total	<u>\$ 21,348</u>

5. SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS FOR THE YEAR ENDED DECEMBER 31, 1999

Huey King - President	\$ -0-
Vandell Smith	540
Jerry King	720
Albert Jones	720
Total	<u>\$ 1,980</u>

6. WATER RATES

Residential:

Minimum charge \$8.50 for first 2,000 gallons, \$.95 per 1,000 gallons thereafter

Commercial:

\$.95 per 1,000 gallons

Business:

Minimum charge \$10.50 for first 2,500 gallons, \$295 per 1,000 gallons thereafter

LASALLE PARISH WATERWORKS DISTRICT NO. 1
LASALLE PARISH POLICE JURY

Notes to Financial Statements
(Continued)

6. YEAR 2000 QUESTION

The District has not determined what effect the year 2000 will have on collections or its financial status.

**LASALLE PARISH WATERWORKS DISTRICT NO. 1
LASALLE PARISH POLICE JURY**

**MANAGEMENT LETTER COMMENTS
DECEMBER 31, 1999**

During the course of my compilation, I observed conditions and circumstances that may be improved. Below are situations that may be improved (if any), recommendations for improvement and the District's response. I have also included prior year management letter comments (if any), and the District's action taken on those comments.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

1999-M-1) DEBT OBTAINED WITHOUT BOND COMMISSION APPROVAL.

Situation: The District purchased equipment with debt in excess of 90 days without the approval of the State Bond Commission as provided by article 7, section 8 of the 1974 Louisiana Constitution.

Recommendation: All loans in excess of 90 days made by the District should first receive bond commission approval before the loans are made. The bond commission reviews the financial position of the entity and makes a determination as to the entity's ability to service the debt.

District Response: The District will request and receive state bond commission approval for future loans in excess of 90 days.

199-M-2) ADJUSTMENT OF CUSTOMER BILLS

Situation: It came to my attention during my compilation that some customer water bills were being adjusted by District employees without board approval.

Recommendation: Any adjustments made to customer bills should be reviewed and approved by the board at its regular monthly meeting.

District Response: Future adjustments made to customer bills will be documented in the minutes and approved by the board.

**LASALLE PARISH WATERWORKS DISTRICT NO. 1
LASALLE PARISH POLICE JURY**

**MANAGEMENT SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the LaSalle Waterworks District No. 1, LaSalle Parish, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their compilation report for the year ended December 31, 1999.

A) Prior Year Management Letter Comments and Management's Response

- 1) There were no prior year management letter comments.

GRAPHS

LASALLE WATERWORKS DISTRICT NO. 1

Revenue - December 31, 1999

MISCELLANEOUS

\$482

DELINQUENT

FEEES

\$875

TAP FEES

\$2,386

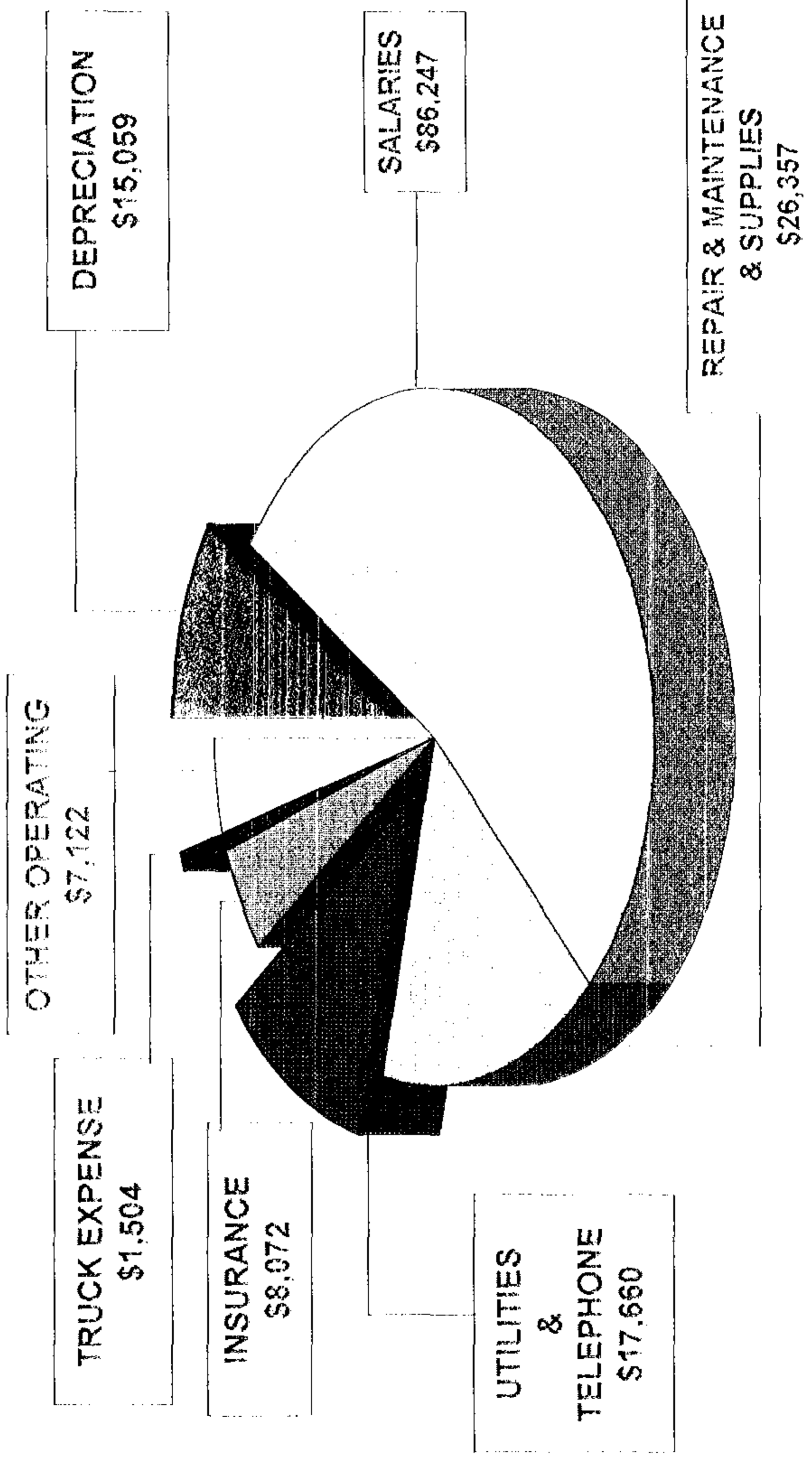
WATER SALES

\$142,615

SEE ACCOUNTANT'S
COMPILATION REPORT

LASALLE WATERWORKS DISTRICT NO. 1

Expenses (Except Fire Remit.) 12-31-99



SEE ACCOUNTANT'S
COMPILATION REPORT

LOUISIANA ATTESTATION QUESTIONNAIRE

February 18, 2000

John R. Vercher, CPA
210 N. 2nd St.
PO Box 1608
Jena, La. 71342

In connection with your compilation of our financial statements as of December 31, 1999 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 February 18, 2000 (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 [x] 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 [x] 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 [x] 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 [x] No []

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 [x] No []

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

Yes [x] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [x] No []

Meetings

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

Yes [x] 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 [x] 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 [x] 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.

Secretary _____ Date

Treasurer _____ Date

John King

President 3-8-00 Date