

PARISH OF IBERVILLE, LOUISIANA - WATERWORKS DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS

NOTE C - FLOW OF FUNDS - RESTRICTIONS ON USE (CONTINUED)

The 1982 and 1992 bond issues also established a "Depreciation and Contingency Fund" into which monthly transfers of \$1,146 are to be made. The funds may be used for the same purpose as the Water Replacement and Extension Fund mentioned above.

Any balance in the Water System Revenue Fund may be used for the purpose of acquiring for cancellation the outstanding Water Revenue Bonds or for any other lawful purpose.

NOTE D - CONTRIBUTED CAPITAL

Analysis of changes in contributed capital for March 31 year ends are as follows:

	<u>CUSTOMERS</u>	
	<u>1997</u>	<u>1996</u>
Balance, beginning of year	\$580,609	\$589,734
Add: Contributions from customers	36,732	12,376
Balance, end of year	<u>\$617,341</u>	<u>\$602,110</u>

	<u>FMA</u>	
	<u>1997</u>	<u>1996</u>
Balance, beginning of year	\$1,360,000	\$1,360,000
Add: Contributions from customers	-	-
Balance, end of year	<u>\$1,360,000</u>	<u>\$1,360,000</u>

	<u>STATE GRANT</u>	
	<u>1997</u>	<u>1996</u>
Balance, beginning of year	\$59,582	\$59,582
Add: Contributions from customers	-	-
Balance, end of year	<u>\$59,582</u>	<u>\$59,582</u>

NOTE E - CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits and certificates of deposit. Under state law, the Parish of Iberville, Louisiana - Waterworks District No. 3, may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the Union, or the laws of the United States. Further, the Parish of Iberville, Louisiana -

PARISH OF IBERVILLE, LOUISIANA - WATERWORKS DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS

NOTE C - FLOW OF FUNDS - RESTRICTIONS ON USE

Under the terms of the bond indentures on outstanding Water Utility Bonds dated April 1, 1970, February 10, 1983, and August 31, 1993, all income and revenue (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the "Water System Revenue Fund." Such revenues shall be expended and used only in the manner and order specified below:

The first charge against the Water System Revenue Fund shall be the payment of reasonable and necessary expenses incurred in the current operation and maintenance of the system.

Each month, there will be set aside into a fund called the "Water System Revenue Bond And Interest Sinking Fund" an amount constituting no less than 1/12 of the next maturing installment of principal and interest on the outstanding 1970, 1983 and 1993 bonds, respectively. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments. In fiscal 1993 all transfers were properly made for the 1970, 1983 and 1993 bonds.

In accordance with the 1970 bond issue, there shall also be set aside into a "Water Revenue Bond Reserve Fund" an amount equal to 25% of that sum transferred to the Water System Revenue Bond and Interest Sinking Fund until such time as the funds and/or investments in the Water Revenue Bond Reserve Fund shall equal \$71,000. With respect to the 1983 bond resolution, the amount to be set aside each month into the Water Revenue Bond Reserve Fund shall be 3% of the sum required to be transferred each month into the Sinking Fund for both the 1970, 1983, and 1993 bond issues as stated above. Payments shall continue until the highest annual debt service amount on the combined bond issues, including principal and interest payable in any future fiscal year, is accumulated.

Money in the Reserve Fund may be used solely for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Water Revenue Bond Fund and as to which there would otherwise be a default.

In connection with the 1970 bond issue, funds were also set aside into a "Water Replacement and Extension Fund" by monthly transfers of \$300. The payments were to continue until the amount of \$24,000 is on deposit in the fund and said fund was, thereafter, to be maintained in said amount. Money in this fund may be used for the purpose of paying the cost of annual and extraordinary maintenance, repairs, replacements, and extensions and of paying the cost of improvements to the system which will either enhance its revenue-producing capacity or provide a higher degree of service. Money in this fund may also be used to pay principal or interest on the bonds falling due and to maintain the required debt service of \$71,000.

PARISH OF IBERVILLE, LOUISIANA - WATERWORKS DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS

NOTE B - BONDS PAYABLE (CONTINUED)

The bonds are callable at par plus a premium of 4%, except that the call premium reduces one (1) of 1% each year after the tenth year, on or after which date there shall be no premium on bonds called.

Waterworks Revenue Bonds Dated February 10, 1983

The U.S. Department of Agriculture Farmers Home Administration is the holder of a second water revenue bond dated February 10, 1983. The bond is a single, fully registered bond, without coupons, and bears interest at the rate of 3% per annum. The bond is payable in annual installments of \$35,480, including interest, beginning February 10, 1984, and annually thereafter through February 10, 2007. Any installments for the payment of principal thereon may be paid prior to the due date at a price of par and accrued interest to the date of prepayment. Payments on the bond shall be applied first to interest due through the date of payment, and then to principal.

The bond is payable in annual installments as follows:

Amount due February 10, 1998 (interest only)	\$22,206
Amount due February 10, 1998-2007 (principal and interest)	\$134,800

Waterworks Revenue Bonds, Series 1992, Dated August 21, 1992

The U.S. Department of Agriculture Farmers Home Administration (FHA) is the holder of two water revenue bonds dated August 21, 1992. The bonds are fully registered, without coupons, and bear interest at a rate of 5.50% per annum. The bonds are payable in annual installments of \$127,600, including interest, beginning February 10, 1993 and annually thereafter through February 10, 2003. Any installments for the payment of principal thereon may be paid prior to the due date at a price of par and accrued interest to the date of prepayment. Payments on the bond shall be applied first to interest through date of payment, and then to principal.

The bonds are payable in annual installments as follows:

Amount due February 10, 1998 (interest only)	\$108,640
Amount due February 10, 1998 - 2003 (principal & interest)	\$4,592,600

PARISH OF IBERVILLE, LOUISIANA - WATERWORKS DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization of deferred charges:

The cost of leased land is being amortized over the lease term from 7 to 50 years, on a straight-line basis.

Amortization of deferred debt expense is computed over the life of the bond issue, on a straight-line basis.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Accordingly, all restricted cash and term deposits are considered cash and cash equivalents.

NOTE B - BONDS PAYABLE

Waterworks Revenue Bonds Dated April, 1970

The U.S. Department of Housing and Urban Development is the holder of water revenue bonds dated April 1, 1970, which amounted to \$1,000,000. The bonds bear interest at the rate of 5%, payable semi-annually on April 1st and October 1st of each year. They mature serially as shown in the following schedule.

WATERWORKS REVENUE BONDS DATED APRIL 1970

<u>BONDS MATURING IN FINANCIAL YEAR</u>	<u>SERIAL BOND NUMBERS</u>	<u>TOTAL MATURITY</u>
1978	77-82	50,000
1979	83-89	50,000
1980	90-96	50,000
1981	97-103	50,000
1982	104-111	40,000
1983	112-119	40,000
1984	120-128	40,000
1985	129-137	40,000
1986	138-146	40,000
1987	147-156	50,000
1988	157-166	50,000
1989	167-177	50,000
2010	178-188	50,000
2011	189-200	60,000
TOTALS		1,000,000

PARISH OF EBERVILLE, LOUISIANA - WATERWORKS DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1997

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The Water District No. 3, of the Parish of Iberville, Louisiana, was created by an ordinance of the Iberville Parish Police Jury in 1871. The governing authority of the District consists of five members of a Board of Commissioners appointed to five-year terms by the Police Jury.

Fund Structure

Water District No. 3 of the Parish of Iberville, Louisiana, a component unit of the Parish, is an Enterprise Fund. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basic of Accounting

The water district utilizes the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred. Revenues for utility services are accrued through year-end.

Revenue Billing

Utility customers are billed throughout the month in cyclical billings by route. Revenues are accrued at year end from the date of last billing.

Restricted Assets

Restricted assets represent (1) amounts which are required to be maintained pursuant to the District's revenue bond resolutions (bond and interest redemption, bond reserves, reserves for replacements and extensions, and reserves for depreciation and contingencies--see Note C) and (2) funds held for customer deposits, new construction, land acquisition, and plant start-up.

Plant

Plant and equipment are recorded at cost and depreciation is computed on the straight-line method over estimated useful lives of 5-50 years.

The cost of customers' service line extensions is billed to the customer and the proceeds credited to capitalized capital.

PARISH OF IBERVILLE - WATERWORKS NO. 3
NOTES TO FINANCIAL STATEMENTS

NOTE E - CASH AND CASH EQUIVALENTS (CONTINUED)

Even though the pledged securities are considered uncollateralized under the provisions of *CASH* Statement 3, Louisiana Revised Statute 79:1229 imposes a statutory requirement on the custodial banks to advertise and sell the pledged securities within ten (10) days of being notified by the District that the fiscal agency (bank) has (have) failed to pay deposited funds upon demand.

NOTE F - INTEREST COSTS

There were no interest costs capitalized during the current period.

NOTE G - LITIGATION

The Waterworks District No. 3 is involved in a suit with George Nolan Benson, Sr. According to the Waterworks' legal counsel, there is not a great amount of exposure to the District in reference to the alleged claims.

NOTE H - PURCHASE OF BAYOU PLAQUEMINE WATERWORKS

On May 29, 1996, an agreement was signed whereby the Waterworks District No. 3 of the Parish of Iberville, State of LA purchased the Bayou Plaquemine Waterwork's Association, Inc.'s assets and rights.

The Waterworks District No. 3 agreed to the following:

1. The District will operate and maintain the Association's system.
2. The District will integrate the Bayou Plaquemine system into their operation, maintenance, and development.
3. The District shall provide for meter readings collection and deposit of funds, and implementation of customers.
4. The District shall also pay in full the outstanding indebtedness owed to FMHA. The total indebtedness was \$74,199.44 paid in May of 1996.

As of the date of acquisition, the fair market value of the Bayou Plaquemine system was \$109,225. This amount is reflected on the balance sheet under water distribution system.



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Kent Clark, CPA
Margaret A. Pritchard, CPA

Board of Waterworks Commissioners of the
Parish of Iberville, Louisiana - Waterworks District No. 3

INTERNAL CONTROL - GAO

We have audited the general purpose financial statements of the Parish of Iberville, Louisiana - Waterworks District No. 3, a component unit of the Iberville Parish Police Jury, as of and for the year ended March 31, 1997, and have issued our report thereon dated May 30, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Parish of Iberville, Louisiana - Waterworks District No. 3 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, actions and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Parish of Iberville, Louisiana Waterworks District No. 3, for the year ended March 31, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the



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Board of Waterworks Commissioners of the
Parish of Iberville, Louisiana - Waterworks District No. 3

FINANCIAL STATEMENTS

We have audited the accompanying general purpose financial statements of the Parish of Iberville, Louisiana - Waterworks District No. 3, a component unit of the Iberville Parish Police Jury, as of and for the year ended March 31, 1997, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Governmental Accounting Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circulars A-128, "Audits of State and Local Governments." These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Parish of Iberville, Louisiana - Waterworks District No. 3 as of March 31, 1997, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

The accompanying supplementary information in the foregoing Table of Contents is not necessary for a fair presentation of the general purpose financial statements, but is prepared as additional analytical data. Such information, except for the schedule of insurance in Form number "unaudited," has been subjected to the tests and other auditing procedures applied in the audit of the general purpose financial statements mentioned above. In our opinion, all of the additional information is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.


Hugh F. Bastley
Phagansia, Louisiana
May 20, 1997

PARISH OF IBERVILLE, LOUISIANA
WATERWORKS DISTRICT NO. 3
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PARISH OF BERVILLE, LOUISIANA - WATERWORKS DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND CASH EQUIVALENTS (CONTINUED)

Waterworks District No. 3 may invest in the deposits or certificates of deposit of S&W banks organized under Louisiana law and national banks having principal offices in Louisiana.

For the year ended March 31, 1997, the Parish of Berville, Louisiana - Waterworks District No. 3 entered into a fiscal agency contract with a commercial bank domiciled within the Parish. The contract provided that all deposits are to be in Super NOW (negotiable orders of withdrawal) accounts paying a market rate of interest which approximates the interest rate on 13-week U.S. Treasury Bills. The contract called for 100% participation by the Bank of Commerce.

Under the contract, the Bank of Commerce acted as the servicing bank or agent for all deposits and withdrawals of the District. At March 31, 1997, the Parish of Berville, Louisiana - Waterworks District No. 3 has bank balances totaling \$713,250.

The Bank of Commerce, which participates in the fiscal agency contract along with two other banks, maintains an account in the name of the Parish of Berville, Louisiana - Waterworks District No. 3 and thus has separate federal deposit insurance for that account in the amount of \$200,000 for checking and savings accounts and \$100,000 for investments for a total of \$300,000 FDIC insurance. Any excess of deposits over federal deposit insurance must be secured under state law by the pledge of bank-owned securities. The market value of the pledged securities plus the federal deposit insurance must at all times be equal to the amount on deposit with the banks. These pledged securities are held in the name of the pledging banks in an independent, custodial bank that is mutually acceptable to the parties involved.

The following is a summary of cash and cash equivalents of the Parish of Berville, Louisiana - Waterworks District No. 3 in the fiscal agency contract at March 31, 1997, with the related federal deposit insurance and pledged securities:

	BANK BALANCES MARCH 31, 1997	FDIC INSURANCE	BALANCING UNRESERVED
Cash	\$713,250	\$200,000	\$143,500
Unclassified - Deposits pledged and held by custodial banks in the name of fiscal agent banks at fair market value, at March 31, 1997			1,189,250
Excess of FDIC insurance and pledged securities over cash at March 31, 1997			\$1,232,750

PARRIS OF BIRMINGHAM, LOUISIANA—WATERWORKS DISTRICT NO. 3
STATEMENT OF CASH FLOWS—ENTERPRISE FUND
FOR THE YEARS ENDED MARCH 31, 1997 AND 1996

EXHIBIT C

	<u>March 31,</u> <u>1997</u>	<u>March 31,</u> <u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$69,699	\$123,178
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	138,838	121,868
Provision for uncollectibles	17	(89)
Other revenue	4,386	304,319
Changes in assets and liabilities:		
(Increase) Decrease in accounts receivable	9,838	(4,883)
(Increase) in other assets	(288)	(1,288)
(Decrease) Increase in accounts payable	2,883	1,942
Increase in customer deposits	11,376	8,321
(Decrease) in other liabilities	607	838
(Decrease) Increase in taxes payable	14	(258)
(Increase) in accrued interest receivable	(828)	(88)
(Decrease) in accrued interest payable	(499)	(5,271)
NET CASH PROVIDED (USED)		
BY OPERATING ACTIVITIES	<u>343,297</u>	<u>444,687</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital asset	(764,199)	(20,518)
Principal paid on revenue bond mortgages and bond note	(55,276)	(67,858)
Capital contributed by subdivisions	74,732	12,375
Interest paid on revenue bonds and bond note	(154,670)	(158,738)
NET CASH USED FOR CAPITAL AND FINANCING ACTIVITIES	<u>(749,413)</u>	<u>(235,739)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	17,798	21,873
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>17,798</u>	<u>21,873</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>61,682</u>	<u>216,821</u>
CASH AND CASH EQUIVALENTS—BEGINNING OF YEAR	<u>758,639</u>	<u>824,162</u>
CASH AND CASH EQUIVALENTS—END OF YEAR	<u>\$820,321</u>	<u>\$1,040,983</u>

The accompanying notes are an integral part of this statement.

PARISH OF BOSSVILLE, LOUISIANA—WATERWORKS DISTRICT NO. 2
BALANCE SHEET—LIABILITIES AND FUND EQUITY
MARCH 31, 1997 AND 1996

EXHIBIT A, CONT.

	<u>March 31,</u> <u>1997</u>	<u>March 31,</u> <u>1996</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities		
Payable from current assets:		
Cash over/short		
Accounts payable	47,437	44,004
Taxes payable	3,264	3,298
	<u>49,997</u>	<u>46,714</u>
Payable from restricted assets:		
Current portion of revenue bonds	78,891	88,724
Current portion of other bonds		3,888
Accrued interest expense	18,844	18,941
Customers' water deposits	96,877	93,287
Other	18,282	18,733
	<u>191,694</u>	<u>199,167</u>
	<u>231,997</u>	<u>245,914</u>
Long-Term Liabilities		
Waterworks revenue bonds, dated April 1, 1970 (net of current maturities) (Note 2)	388,000	629,888
Waterworks revenue bonds dated February 1983 (net of current maturities) (Note 2)	178,248	242,122
Waterworks revenue bonds, dated August 1, 1982 (net of current maturities) (Note 2)	1,211,804	1,420,888
	<u>2,778,052</u>	<u>3,292,900</u>
TOTAL LIABILITIES	<u>3,010,049</u>	<u>3,538,814</u>
FUND EQUITY		
Contributed capital—State Participation	57,000	
Contributed capital—customers and others (Note 2)	388,000	688,624
Contributed capital—FPA (Note 2)	1,346,000	1,399,888
Contributed capital—state grants (Note 2)	58,000	58,292
	<u>2,049,000</u>	<u>2,206,812</u>
Retained earnings:		
Reserve for revenue bond interest and retirement, system replacement and extension and construction increases	688,813	662,471
	<u>144,807</u>	<u>377,546</u>
	<u>779,407</u>	<u>879,897</u>
TOTAL FUND EQUITY	<u>2,798,688</u>	<u>2,798,687</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>58,797,228</u>	<u>58,798,612</u>

The accompanying notes are an integral part of this statement.

PARISH OF IBERVILLE, LOUISIANA—WATERWORKS DISTRICT No. 2
BALANCE SHEET—ASSETS
MARCH 31, 1997 AND 1996

CONTINUED

	<u>March 31,</u> <u>1997</u>	<u>March 31,</u> <u>1996</u>
ASSETS		
Current assets		
Cash	\$45,000	\$105,000
Accounts receivable (net of allowance for doubtful accounts of \$2,487 and \$2,500 at 1997 and 1996 respectively)	30,000	104,700
Other	20,000	28,821
	95,000	238,521
Restricted assets		
Revenue bond fund—cash		
Revenue bond fund reserve (ILLIOPC)	770,000	983,000
Cash	27,000	28,000
Time deposits and savings	247,000	333,000
Accrued interest income	3,000	3,000
Revenue bond replacement and substitute's account		
Cash	21,000	17,000
Time deposits and savings	13,000	17,100
Accrued interest income	000	000
Depreciation and contingency fund, cash & savings	61,000	62,100
Customer deposits:		
Cash	61,000	38,275
Time deposits	65,600	66,100
Other	000	000
Land acquisition—cash	270	000
	127,870	104,375
PLANT		
Water distribution system	1,700,000	1,888,000
Builds, land and equipment	888,200	867,700
Water treating plant	2,000,000	2,000,000
	4,588,200	4,755,700
Less allowance for depreciation	(1,000,000)	(888,700)
	3,588,200	3,867,000
Land and rights of way	23,000	23,000
Unamortized cost of bonded bond	4,000	10,000
	4,615,200	4,800,000
OTHER ASSETS		
Miscellaneous	00	00
Unamortized debt expense	24,100	27,000
	24,100	27,000
TOTAL ASSETS	\$6,171,000	\$6,968,897

The accompanying notes are an integral part of this statement.

COMPONENT UNIT FINANCIAL STATEMENTS

Board of Waterworks Commissioners of the
Parish of Iberville, Louisiana - Waterworks District No. 3

COMPLIANCE - GAO

We have audited the general purpose financial statements of the Parish of Iberville, Louisiana - Waterworks District No. 3, a component unit of Iberville Parish Police Jury as of and for the year ended March 31, 1997, and have issued our report thereon dated May 30, 1997.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Parish of Iberville, Louisiana - Waterworks District No. 3 is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Parish of Iberville, Louisiana - Waterworks District No. 3 compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. 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*.

This report is intended for the information of the management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Hugh F. Basley
Plaquemine, Louisiana
May 30, 1997

INTERNAL CONTROL - GAO (CONTINUED)

American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose 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 structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



William J. O'Connell
Philadelphia, Louisiana
May 31, 1999

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PARISH OF IBERVILLE, LOUISIANA
WATERWORKS DISTRICT NO. 2

ANNUAL FINANCIAL REPORT

MARCH 31, 1967

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

Release Date.....**JUN 25 1967**