

CONTENTS OF OPERATIONS OF WATER UTILITY SYSTEM (Continued)

3. Customer statistics relative to water billed and the number of customers for current and prior year are as follows:

	1996	1995
Water sales	\$ 129,893	\$ 116,272
Quantity of water sold (in thousand gallons)	18,943.1	18,389.2
Average number of customers billed per month	368	384
Average annual revenue per customer	\$ 352.15	\$ 302.82
Average monthly revenue per customer	\$ 29.35	\$ 25.23
Average annual quantity of water billed per customer (in thousand gallons)	80.4	73.7
Average monthly quantity of water billed per customer (in thousand gallons)	6.7	6.1
Average annual revenue per thousand gallons billed	\$ 4.97	\$ 4.10

4. Names and titles of principal officers and per diem paid to each.

	PER DIEM
President	\$ 480.00
Sec./Treas.	240.00
Member	120.00
Member	80.00
Member	160.00
Member	480.00

- (C) Determine whether payments received approval from proper authorities.

The documents indicated that approval was made from WMA, Inc., the operator for the water district. In addition, the disbursements were listed to the district's minute book where they were approved for payment.

MINUTES

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LA-RS 42:1 through 42:11 (the open meetings law).

The water district failed to comply with laws and regulations regarding the open meetings law. The posting of the agendas for meetings was discontinued and management has assured that all procedures will be followed.

ISSUE

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.

The bank deposits were examined for the period and it was noted that no deposits appeared to be proceeds of bank loans, bonds, or like indebtedness.

ISSUES AND HOWEVER

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

See explanation number 3 above.

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 Hammond Parish Waterworks District No. 3 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.



White Castle, Louisiana
April 2, 1997

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

Commission PARISH NETWORKS DISTRICT NO. 2 has no employees. The district subcontracted the normal operations to NPL, Inc.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (1) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

See explanation number 3 above.

BOOKING

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

Budget not required for an enterprise fund.

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

See explanation number 5 above.

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%.

See explanation number 5 above.

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

The six payments were properly coded to the correct general ledger account.

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HOUSE OF REPRESENTATIVES, LOUISIANA
METROPOLITAN DISTRICT NO. 1

FINANCIAL REPORT

December 31, 1990

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

Release Date: MAY 28, 1991

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P. J. CABALLERO, CPA

of Professional Experience

2415 Garden Street, Suite 4
New Orleans, La. 70114-1110

A.E. 004 000-010

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLIED ACCESS-OPEN PROCEDURES**

Commissioners of the Parish of Assumption, Louisiana -
Waterworks District No. 2

I have performed the procedures included in the Louisiana Government Budget Guide and annotated below, which were agreed to by the management of Assumption Parish Waterworks District No. 2 and the legislative Advisory Board of Louisiana, solely to assist the users in evaluating management's assertions about Assumption Parish Waterworks District No. 2's compliance with certain laws and regulations during the period ended December 31, 1994 included in the Louisiana Statewide 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, 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 purposes.

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 LA-85 38:2113-1284 (the public bid law).

There were no expenditures made exceeding \$ 5,000 or public works exceeding \$ 50,000 during the year.

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 LA-88 42:1301-1324 (the code of ethics) and a list of outside business interests of all board members and all employees, as well as their immediate families.

A listing of all board members and their per diem was provided by management.

P. J. CABALLERO, CPA

A Professional Corporation

20705 QUINCY STREET SUITE 2

MARYLAND LA. 70066-0000

NO. 000000000

ACCOUNTING COMPILATION REPORT

The Board of Commissioners of the
Parish of Assumption, Louisiana
Waterworks District No. 2

I have compiled the accompanying balance sheet of the Parish of Assumption, Louisiana - Waterworks District No. 2, a component unit of the Parish of Assumption, Louisiana as of December 31, 1998, and the related statements of income and retained earnings and cash flows for the year then ended, 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. I have not audited or reviewed the accompanying financial statements and, accordingly do not express an opinion or any other form assurance on them.

The financial statements for the year ended December 31, 1998, were audited by me, and I expressed an unqualified opinion on them in my report dated March 27, 1999, but I have not performed any auditing procedures since that date.



White Oak, Louisiana
April 1, 1999

BALANCE SHEET
NATIONALS LEASING CO., INC. OF THE **PAPER OF ASCENTRA, LOS ANGELES**
DECEMBER 31, 1990 (UNAUDITED) AND 1989 (AUDITED)

Exhibit A

	-----DECEMBER, 31-----	
	1990	1989
	----	----
ASSETS		
CURRENT ASSETS		
Cash (demand and time deposits)	\$ 218,323	\$ 195,000
Accounts receivable and accrued motor sales (net of allowance for uncollectible accounts of \$0.500 in 1990 and \$0.000 in 1989)	22,481	17,026
Other receivables	871	63
Prepaid insurance	1,076	3,000
	-----	-----
	242,751	215,089
RESTRICTED ASSETS - cash		
Customers' motor deposits - cash	22,299	21,801
FIXED ASSETS (Note B)		
Fleet and equipment (net cost, net of accumulated depreciation of \$142,468 for 1990 and \$130,326 for 1989)	287,152	228,208
	-----	-----
	\$ 461,883	\$ 436,277
	-----	-----
LIABILITIES AND RETAINED EARNINGS		
CURRENT LIABILITIES		
Payable from current assets:		
Accounts Payable	\$ 8,534	\$ 8,080
Sales Payable	188	248
	-----	-----
	8,722	8,328
Payable from restricted assets:		
Customers' motor deposits	10,308	10,044
	-----	-----
	18,328	18,372
	-----	-----
DEFERRED INCOME:		
Contributed capital:		
Customers	28,285	28,685
Federal Grants	178,580	178,580
	-----	-----
	213,865	213,265
	-----	-----
Retained Earnings:		
Reserved for Division Board and Interest retirement and contingencies	0	0
Unreserved	228,771	208,209
	-----	-----
	228,771	208,209
	-----	-----
	\$ 461,883	\$ 436,277
	-----	-----

See accompanying notes and accountant's report.

INSURANCE IN FORCE AT DECEMBER 31, 1996 - UNAUDITED

Insurance in force at December 31, 1996 was as follows:

(a) commercial general liability:

General Aggregate Limit (Other Than Production-Completed Operations)	1	500,000
Production-Completed Operations Aggregate Limit		500,000
Personal and Advertising Injury Limit		500,000
Each Occurrence Limit		500,000
Fire Damage Limit (Any One Fire)		50,000
Medical Expense Limit (Any One Person)		5,000
(b) public officials liability		1,000,000
(c) business auto (hired & non-owned)		500,000
(d) commercial property (lease)		1,000
(e) commercial crime coverage		25,000

The above schedule of insurance coverage is intended only as a descriptive summary and the independent accountants express no opinion as to the adequacy of such coverage.

COMMENTS ON OPERATIONS OF WATER UTILITY SYSTEM

1. During 1988 revenues were derived from the sale of water at the following rate:

RESIDENTIAL RATE

(Effective April 1984)
 First 2,000 gallons per month or less \$ 7.45 (minimum)
 Over 2,000 gallons 2.81 per 1,000 gallons

COMMERCIAL RATE

(Effective April 1984)
 First 2,000 gallons per month or less \$ 16.20 (minimum)
 Over 2,000 gallons 4.24 per 1,000 gallons

2. Meter was purchased from a neighboring parish at a rate of \$1.37 per thousand gallons. A comparative summary of water purchased and billed for the years ended December 31, 1986 and 1988 as reflected in the district's records is as follows:

	IN THOUSAND GALLONS	
	1986	1988
Meter purchased	42,128.8	29,448.4
Meter billed	28,841.1	28,289.0
Unaccounted for	11,789.9	11,158.4
PERCENT unaccounted for	27.50%	28.87%

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
RETAINED EARNINGS - PROPRIETARY FUND TYPE

PRIME OF ASCENSION, LOCALITY - WATERWORK DISTRICT NO. 2
FOR THE YEARS ENDED DECEMBER 31, 1996 (UNAUDITED) AND 1995 (AUDITED)

	ENTERPRISE FUND	
	1996	1995
OPERATING REVENUES		
Sale of water	\$ 228,982	\$ 218,938
Unrefined sludge	8,288	4,778
Service charges	1,188	773
	238,458	224,489
OPERATING EXPENSES		
Management fees and service charges	33,428	33,108
Cost of water	84,288	85,100
Repairs and maintenance	8,108	13,488
Depreciation	7,832	7,818
Board fees	3,768	3,668
Professional fees	3,078	6,274
Insurance expense	3,178	3,078
Unallocable amounts	4,028	1,008
Miscellaneous	764	878
	158,962	157,794
OPERATING INCOME	89,496	6,695
NONOPERATING REVENUES		
Interest on investments	4,768	3,744
Miscellaneous	47	77
	4,815	3,821
NONOPERATING EXPENSES		
Gain on asset dispositions	2,500	0
	2,500	0
NET INCOME (LOSS)	91,996	10,516
Retained earnings - beginning of year	268,319	187,803
Retained earnings - end of year	\$ 360,315	\$ 198,319

See accompanying notes and accountant's report.

REFERENCES INFORMATION

NOTE 1: OTHER GENERAL INFORMATION (continued)

188,588. By agreement and under Act 159 of the 1981 Legislature the state funded all relocation costs in excess of \$29,194. Project costs not funded by the state totaling \$29,194 are included in the Utility Plans. Also, under Act 319, the District is restricted from using any other state owned right-of-way to locate the utility lines until the state's funding is exhausted. The population in the area served by the District has NOT increased since 1980 and is not expected to increase in the foreseeable future. The board of commissioners therefore does not anticipate using any state right-of-way to locate utility lines. If it becomes necessary to utilize a state owned right-of-way and reimburse the State's funding this expenditure will be made a part of the project cost.

The District purchased water from the St. James Parish Utility System for \$1.10 per thousand gallons in March 1984. Subsequently, the purchase price increased to \$1.37 per thousand gallons. The agreement provides, in part, for annual increases in rate of up to 18% in any one year after August 1, 1985. The agreement is effective until June 30, 2004 but may be cancelled by St. James Parish Utility System after August 1, 1991 by written notice at least 120 days prior to the termination or renegotiation date.

The district has contracted with S.F.M. Inc., an independent utilities management company for the complete operation of the system including meter reading, the preparation of monthly billings to customers the collection of customer payments, payment of operating expenses and maintaining the system's accounting records. The district pays S.F.M. \$7.25 per customer per month for these services. This rate is adjusted annually in proportion to the increase or decrease in the U. S. Consumer Price Index from the preceding year. This agreement may be cancelled by either party with 90 days notice.

NOTE A: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Utility Plant

The utility plant is recorded at cost. Depreciation is provided on a straight-line basis over an estimated useful life of 50 years.

Changes in Contributed Capital

The change in Contributed Capital for the enterprise (and on the combined balance sheet from December 31, 1995 to December 31, 1996 results from customers contributions for new services installed.

Risk of Loss

The district is exposed to various risks of loss related to theft, theft of, damage to and destruction of assets and natural disasters. The district purchases commercial insurance for these risks of loss. There have been no insurance claims or reduction in insurance coverage for the past three years.

NOTE B: FIXED ASSETS AND DEPRECIATION

A summary of utility plant and equipment at December 31, 1996 is as follows:

DESCRIPTION	COST		DEPRECIATION		
	ACQUIRED	1996	1996	1996	
System	1964-1970	\$ 155,150	\$ 184,000	\$ 3,284	
	1971-1980	57,430	25,863	3,150	
	1981	7,300	3,218	148	
	1982	47,420	19,843	950	
	1983	3,970	494	40	
	1984	918	211	28	
	1985	918	293	38	
	1986	8,094	1,563	110	
	1987	8,468	1,409	107	
	1988	47,430	9,348	950	
	1989	3,224	359	24	
	1990	4,210	463	64	
	1991	610	56	10	
	1992	10,000	741	210	
	1993	2,880	231	110	
	1994	3,704	83	51	
	1995	3,140	21	43	
	1996	3,848	0	24	
			\$ 189,830	\$ 125,236	\$ 7,432

NOTE C: OTHER CAPITAL DEPRECIATION

In 1987, the district was required to relocate water lines in accordance with R.O. 742. The total cost of the water line relocation was

PARISH OF SACRAMENTO, LOUISIANA - WATERWORKS DISTRICT NO. 2
NOTED TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

NOTE B: SIGNIFICANT ACCOUNTING POLICIES

Fund Structure

Water District No. 2 of the Parish of Sacramento, Louisiana, a non-profit 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 costs (expenses, including depreciation) of providing goods or services to the general public be a continuing basis to finance or recovered primarily through user charges.

Basis of Accounting

Enterprise Funds are maintained on 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.

Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits, and certificates of deposits with original maturities of three months or less and cash management vehicles investing in obligations guaranteed by the federal government and subject to immediate withdrawal. At December 31, 1998 Waterworks District No. 2 of the Parish of Sacramento, Louisiana had cash balances in one bank as follows with additional security stated at market:

	Balance	FDIC Insurance	Additional Security
FIRST NATIONAL Bank of Monroe Monroe, Louisiana	\$ 180,500	\$ 180,500	\$ 148,500
	-----	-----	-----
Total	\$ 180,500	\$ 180,500	\$ 148,500
	-----	-----	-----

Investments

Investments are stated at cost and are not subject to market fluctuations.

Restricted Assets

Restricted assets on the combined balance sheet represent funds held for customer deposits.

STATEMENT OF CASH FLOW - PROPRIETARY FUND TYPE

PARTIAL OF ACCESSION, LOGGINGS - WATERWORKS DISTRICT NO. 2
FOR THE YEARS ENDED DECEMBER 31, 1996 (UNAUDITED) AND 1995 (AUDITED)

	ENTERPRISE FUND	
	1996	1995
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income	\$ 20,412	\$ 19,512
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,412	7,412
(Increase) decrease in accounts receivable	(4,942)	(2,877)
(Increase) decrease in other receivables	812	512
(Increase) decrease in prepaid expenses	52	82
Increase (decrease) in accounts payable	342	1,322
Increase (decrease) in taxes payable	242	(42)
Increase (decrease) in restricted liabilities	42	42
Total adjustments	1,792	6,322
Net cash provided by operating activities	22,204	25,834
CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditures	1,142	1,142
Net cash used in investing activities	1,142	1,142
CASH FLOW FROM FINANCING ACTIVITIES:		
Capital contributed by customers	2,182	2,182
Gain on asset dispositions	0	0
Net cash provided by financing activities	2,182	2,182
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,244	26,774
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	208,663	192,003
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE A)	\$ 231,907	\$ 208,663

See accompanying notes and accountant's report.

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