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**WEST ALLEN PARKER METER CONTRACT**  
Bossier, Louisiana  
**ANNUAL FINANCIAL REPORT AND INDEPENDENT AUDITOR'S REPORT**  
Year ended December 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 MAR 18 1998

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CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	2-4
GENERAL PURPOSE FINANCIAL STATEMENTS	
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP	5-6
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPE	9
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EQUITIES - PROPRIETARY FUND TYPE	10
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE	11
NOTES TO FINANCIAL STATEMENTS	12-23
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EQUITIES - BUDGET AND ACTUAL - PROPRIETARY FUND TYPE	24
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	25-26

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**INDEPENDENT AUDITORS' REPORT**

January 10, 1998

Board of Commissioners  
West Allen Parish Water District  
Bossier, Louisiana

We have audited the accompanying general purpose financial statements of the West Allen Parish Water District, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 1997, as stated in the table of contents. These general purpose financial statements are the responsibility of the West Allen Parish Water District 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 the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the West Allen Parish Water District as of December 31, 1997, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Statement of Revenues, Expenses and Changes in Net Assets, Earnings-Budget and Actual is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with government auditing standards, we have also issued our report dated January 23, 1998 on our consideration of West Nile Parish Water District's internal control over financing reporting and our tests of its compliance with certain provisions of laws, regulations and contracts.

*Stephen C. Cady & Company*

## WEST ALLEN ENGLISH WATERS DISTRICT

Combined Balance Sheet - All Fund Types and Account Group

December 31, 1997

	Governmental		Proprietary
	<u>Fund Type</u>		<u>Fund Type</u>
	Debt	Services	RESOURCES
<b>ASSETS</b>			
Cash	\$	818	\$ 333,827
INVESTMENTS		-	-
Receivables			
Accounts	-		13,245
INCEPENT	-		1,847
Prepaid insurance	-		2,318
Restricted assets			
Bond sinking fund			
Cash	-		81,727
Interest receivable	-		86
Bond reserve fund			
Cash	-		18,798
Interest receivable	-		147
Bond emergency fund			
Cash	-		14,144
Interest receivable	-		13
Customer deposits			
Cash	-		8,283
Fixed assets (net)			1,078,780
Bond issue cost (net)			<u>2,881</u>
	\$	<u>818</u>	\$ <u>1,338,184</u>
<b>TOTAL ASSETS</b>			

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

Totals		(Memorandum Only)	
1997	1998	1997	1998
\$ 246,482	\$ 260,717	-	-
13,247	12,748	2,947	2,838
2,334	2,334	43,327	43,808
		66	82
28,784	26,721	267	71
28,264	22,270		0
8,280	7,945	1,078,788	1,078,385
<u>1,436</u>	<u>1,882</u>		
<b>\$ 1,551,418</b>	<b>\$ 1,558,618</b>		

Continued

## WEST ALLEN PARKER WATER DISTRICT

Combined Balance Sheet - All Fund Types and Account Group (Continued)

December 31, 1987

	Governmental	Proprietary
	<u>Fund Type</u>	<u>Fund Type</u>
	<u>DEBT</u>	<u>RESERVE</u>
	<u>Service</u>	<u>RESERVE</u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 4,100
Due to taxpayers	150	-
Payable from restricted assets		
Revenue bonds	-	10,000
Accrued interest	-	17,400
Customer deposits	-	8,800
Revenue bonds payable	<u>-</u>	<u>357,800</u>
<b>TOTAL LIABILITIES</b>	<u>150</u>	<u>487,100</u>
<b>FUND EQUITY</b>		
Contributed capital	-	447,500
Retained earnings		
Reserve for debt service	-	70,000
Unreserved-undesignated	-	570,000
Fund balance		
Unreserved - undesignated	<u>000</u>	<u>-</u>
<b>TOTAL FUND EQUITY</b>	<u>000</u>	<u>1,017,500</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 150</u>	<u>\$ 1,504,600</u>

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

Totals		(Predecessor Co's)	
<u>1997</u>		<u>1998</u>	
†	4,109	‡	3,088
	218		45,875
	10,800		10,800
	17,489		17,899
	8,820		7,180
	<u>487,800</u>		<u>427,800</u>
	<u>487,800</u>		<u>427,800</u>
	447,940		400,440
	78,991		60,071
	<u>575,329</u>		<u>468,576</u>
	<u>612</u>		<u>-</u>
	<u>1,029,182</u>		<u>1,078,481</u>
†	<u>1,029,182</u>	‡	<u>1,029,481</u>

WEST ALLEN DRAINAGE WATER DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - Governmental Fund Type

Year Ended December 31, 1997

	<u>1997</u>	<u>1996</u>
<b>REVENUES</b>		
Interest earned	\$ <u>613</u>	\$ <u>4,329</u>
<b>EXPENDITURES</b>		
Tax refund to taxpayers	-	45,875
Debt service		
Principal retirement	-	220,880
Interest	<u>        </u>	<u>31,580</u>
<b>TOTAL EXPENDITURES</b>	<u>        </u>	<u>287,435</u>
Deficiency of revenues over expenditures	617	(283,161)
<b>FUND BALANCE - BEGINNING</b>	<u>        </u>	<u>17,181</u>
<b>FUND BALANCE - ENDING</b>	\$ <u>617</u>	\$ <u>        </u>

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

WEST ALLEN PARKER WILDER DISTRICT

Statement of Revenues, Expenses and Changes  
in Retained Earnings - Proprietary Fund Type

Year Ended December 31, 1997

	<u>1997</u>	<u>1996</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 144,474	\$ 144,547
Miscellaneous revenue	<u>3,385</u>	<u>8,482</u>
<b>TOTAL OPERATING REVENUES</b>	<b>147,859</b>	<b>153,029</b>
<b>OPERATING EXPENSES</b>		
Advertising	489	827
Amortization	353	559
Bank charges	82	100
Depreciation	18,148	18,883
Fees	178	225
Insurance - general	14,337	8,107
Insurance - health	3,423	3,483
Miscellaneous	188	424
Office	2,731	2,134
PD/DM	5,758	5,128
Postage	2,339	3,801
Professional fees	2,000	7,525
Retirement	2,046	2,322
Salaries	43,793	48,878
Supplies	18,808	13,526
Taxes and Licenses	2,048	2,129
Training	982	1,023
Transportation	2,427	3,023
Utilities	<u>8,424</u>	<u>4,218</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>148,217</b>	<b>148,807</b>
<b>OPERATING INCOME</b>	<b>13,642</b>	<b>14,222</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Gain on sale of Fixed Assets	4,488	-
Interest income	18,418	18,813
Interest expense	<u>(12,863)</u>	<u>(12,812)</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>10,043</b>	<b>16,001</b>
<b>NET INCOME</b>	<b>23,685</b>	<b>30,223</b>
<b>RETAINED EARNINGS - BEGINNING</b>	<b>432,340</b>	<b>421,117</b>
<b>RETAINED EARNINGS - ENDING</b>	<b>\$ 456,025</b>	<b>\$ 451,340</b>

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

## WEST ALLEN PUBLIC WATER DISTRICT

## Statement of Cash Flows - Proprietary Fund Type

Year Ended December 31, 1997

	<u>1997</u>	<u>1996</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 13,404	\$ 12,142
Adjustments to reconcile operating income to net cash provided by operating activities		
Amortization	313	313
Depreciation	19,281	19,553
(Increase) decrease in		
Accounts receivable	(581)	(2,428)
Interest receivable	(481)	399
Increase (decrease) in		
Accounts payable	1,024	(2,422)
Bank deposits	1,148	1,202
Accrued interest payable	1812	242
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>31,120</u>	<u>31,321</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Contributions from customers	2,380	2,480
Purchase of fixed assets	(46,528)	(8,480)
Gain on sale of fixed assets	4,888	-
Principal paid on revenue bonds	(18,000)	(8,000)
Interest paid on revenue bonds	(21,848)	(21,323)
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(79,108)</u>	<u>(33,323)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of cash investments	(24,281)	182,840
Increase on investments	(2,812)	(2,322)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>(27,093)</u>	<u>180,518</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>11,919</u>	<u>177,516</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>181,524</u>	<u>181,524</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 193,443</u>	<u>\$ 199,040</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid for interest	\$ 21,848	\$ 21,323
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO TOTAL CASH</b>		
Cash and cash equivalents	\$ 179,324	\$ 184,494
Non-cash equivalents	14,119	14,546
<b>Total Cash</b>	<u>\$ 193,443</u>	<u>\$ 199,040</u>

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

WEST ALLEN PARISH WATER DISTRICT

BOOKS TO FINANCIAL STATEMENTS

December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The West Allen Parish Water District was created by the Allen Parish Police Jury under the provisions of Louisiana Revised Statute 33:9811 for the purpose of providing water to the rural areas of West Allen Parish. The District is governed by a Board of commissioners composed of seven members, five appointed by the Allen Parish Police Jury and two appointed by the Village of Beeves, LA.

The financial statements of the West Allen Parish Water District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

1. Reporting Entity

As the governing authority of the parish, the reporting purposes, the Allen Parish Police Jury is the financial reporting entity for West Allen Parish Water District. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
- a. The ability of the police jury to impose its will on that organization and/or
- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

Continued

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 1997

NOTE 5 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

1. Fund Accounting

The West Allen Parish Water District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The following funds and account groups are used by the District:  
Governmental Fund Type:

Debt Service Fund-

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt. The general long-term debt was paid in full in 1995. The balance in the Fund is to be refunded to taxpayers.

Enterprise Fund Type:

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 costs (expenses, including depreciation) of providing water services to the general public or a restricted group is financed through user charges.

CONTINUED

WEST ALLEN BRICKS WATER DISTRICT

Notes to Financial Statements

December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operations 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 modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when measurable in accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are interest and charges for services.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Continued

WEST ALLEN PARKING METER DISTRICT

Notes to Financial Statements

December 31, 1987

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand 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 demand 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.

Under state law, the District may invest in United States bonds, treasury notes, or securities. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

5. Accounts Receivable

Uncollectible amounts due for accounts receivable are recognized as bad debts using the direct write-off method. Uncollectible amounts are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible. This method does not result in a charge to bad debts that is materially different from the amount that would be charged if the reserve method were used.

6. Fixed Assets

All fixed assets are valued at historical cost. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation of each class of depreciable property is computed using the straight-line method. Estimated useful lives are as follows:

Distribution system	30 years
Office and shop buildings	18-24 years
Equipment	3-7 years

Continued

WEST ALLEN PARISH WATER DISTRICT

Notes to Financial Statements

December 31, 1997

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Compensated Absences

The District has the following policy relating to vacation and sick leave:

- Vacation - One week after 1 year of service.  
- Two weeks after 2 years of service,  
- Three weeks after 10 years of service,  
- Four weeks after 15 years of service.  
- Maximum of one week may be carried over to the next year.

- Sick Leave - 15 days per year.  
- Maximum of 30 days may be carried over to the next year.

The District's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 14 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 14 also provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be listed as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

At December 31, 1997, the District did not have an accrual for compensated absences.

Continued

WEST ALLEN TOWNSHIP WATER DISTRICT

Notes to Financial Statements

December 31, 1987

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Statement of Cash Flow

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less when purchased to be cash equivalents. The statement reflects ending cash and cash equivalents of \$172,320 which represents unrestricted and restricted amounts of \$125,248 and \$47,072, respectively.

C. Budgets

An enterprise fund budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations. But may not change the form of the budget.

Expenditures may not legally exceed budgeted appropriations at the activity level.

D. Fund Equity

Contributed Capital-

Customer revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized.

Reserves-

Reserves represent those portions of fund equity legally segregated for a specific future use.

Continued

## WEST ALLEN PARKER WATER DISTRICT

## Notes to Financial Statements

December 31, 1997

## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

## 10. Bond Issue Cost

Because bond issuance costs for the proprietary fund type are deferred and is being amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method, amortization expense is \$111 for the year ended December 31, 1997.

## 11. Total Columns on Statements

Total columns on the general purpose financial statements are captioned "Memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

## 11. Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations.

## NOTE B - CASH DEPOSITS

At December 31, 1997, the District has cash balances (bank balances) totaling \$447,324 as follows:

Demand Deposits	\$ 44,443
Interest-bearing Demand Deposits	44,883
Time Deposits	358,000
Total	\$ 447,326

continued

WEST ALLEN PARKER WATER DISTRICT

Notes to Financial Statements

December 31, 1987

NOTE B - CASH DEPOSITS - CONTINUED

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance on the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As December 31, 1987, the District has \$453,147 in deposits (collected bank balances). These deposits are secured from risk by \$285,224 of federal deposit insurance and \$201,883 of pledged securities held by the custodial bank in the name of the fiscal agent bank (NOTE Category B).

Even though the pledged securities are considered uncollateralized (Category B) under the provisions of GAO Statement No. 3, Louisiana Revised Statute 27:2128 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.

NOTE C - FIXED ASSETS

A summary of changes in proprietary fund fixed assets for the year ended December 31, 1987 is as follows:

	Fixed Assets		
	Beginning of Year	Net Additions	End of Year
Distribution system	\$ 1,587,813	\$ -	\$ 1,587,813
office and shop building	18,840	4,313	18,840
Equipment	48,421	82,213	90,634
Land	18,122	-	18,122
	1,673,196	\$ 86,526	1,759,722
Less accumulated depreciation	514,738		382,252
<b>TOTALS</b>	<b>\$ 1,158,458</b>		<b>\$ 1,377,470</b>

Depreciation expense was \$28,243 for the year ended December 31, 1987.

WEST ALLEN WATER UTILITY DISTRICT

Notes to Financial Statements

December 31, 1997

NOTE D - LONG-TERM DEBT

A. Debt Outstanding

The following is a summary of bond transactions of the District for the year ended December 31, 1997:

	<u>Amount</u>
Bonds payable, Beginning	\$ 497,000
Bonds retired	<u>10,000</u>
Bonds payable, Ending	\$ 487,000

Bonds payable at December 31, 1997 are comprised of the following individual issues:

Revenue bond	
1000,000 Utility Revenue Bonds dated 3/7/90, due	
in annual installments of \$18,000 - \$20,000 through	
March 7, 2018; interest at 8.25%	\$ 487,000

B. Debt Service Requirements

The annual requirements for the next five years to amortize all debts outstanding as of December 31, 1997, including interest payments are as follows:

Year ending December 31,	<u>REVENUE</u>
1998	\$ 31,360
1999	31,850
2000	31,300
2001	31,760
2002	31,360

## WEST ALLEN WATER UTILITY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 1997

## NOTE E - COMPONENTS OF RESTRICTED ASSETS

## Enterprise Fund:

	Revenue Bond Sinking	Revenue Bond Reserve	Revenue Bond Contingency	Customer Deposits	Total
Debt and interest receivable	\$ 11,802	\$ 62,321	\$ 12,442	\$ 2,261	\$ 88,826

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "bond sinking" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "bond reserve" account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account. The "bond contingency" account is used to report resources set aside to meet unexpected contingencies or to fund asset removals and replacements.

The amount of retained earnings reserved for revenue bond retirement is detailed as follows:

Restricted assets: revenue bond sinking, reserve and contingency funds	\$ 88,826
Less:	
Current maturities of revenue bonds, payable from restricted assets	12,000
Accrued interest, payable from restricted assets	11,482
Retained earnings reserved	\$ 75,344

## NOTE F - CONTRIBUTED CAPITAL

During the year, contributed capital changed by the following amount:

CONTRIBUTION FROM CUSTOMERS	\$ 2,100
CONTRIBUTED CAPITAL, BEGINNING	421,646
CONTRIBUTED CAPITAL, ENDING	\$ 423,746

## WEST BAYOU BRUSH WATER DISTRICT

## Notes to Financial Statements

December 31, 1997

## NOTE C - RETIREMENT COMMITMENTS

The district contributes to a pension plan through the National Rural Water Association for all employees. Total payroll for the district was \$81,788 and total payroll for covered employees was \$28,221.

Covered employees are required to contribute 3.0% of their total compensation but may contribute up to 18.0% of their total compensation. The district is required to contribute 7.0% of total compensation. Total contributions made by the district and employees were \$2,468 and \$877, respectively.

Full time employee membership is mandatory as a condition of employment. Eligibility requirements consist of minimum age of 21, twelve months of service and 1,000 hours worked. Participants are immediately fully vested.

National Rural Water Association issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. This report is available upon request.

## NOTE D - PER DIEM

In accordance with Louisiana Revised Statute 18:1503, per diem is allowed not to exceed \$60 per meeting attended, up to twenty-four regular meetings and twelve special meetings. The board has approved per diem at \$60.

Per diem paid commissioners for the year ended December 31, 1997 were as follows:

Beffenger, Willie H.	\$ 600
BEVER, MARTIN	700
Baker, Carl	400
Beavis, Jimmy	600
Chirley, Charles	700
Thigpen, Carl	600
Thomley, Ricky	<u>400</u>
	\$ 3,100

WEST ALLEN WATER DISTRICT

Notes to Financial Statements

December 31, 1997

NOTE 2 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

WEST ALLEN PARKS WATER DISTRICT

Statement of Revenues, Expenses and Changes in  
Retained Earnings - Budget and Actual - Proprietary Fund Type

Year Ended December 31, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 148,000	\$ 144,475	\$ (3,525)
Miscellaneous revenue	<u>4,000</u>	<u>3,300</u>	<u>1,700</u>
<b>TOTAL OPERATING REVENUES</b>	<b>152,000</b>	<b>147,775</b>	<b>4,225</b>
<b>OPERATING EXPENSES</b>			
Advertising	400	400	(400)
Amortization	-	513	513
Bank charges	-	80	80
Depreciation	20,000	20,143	(1,143)
Fees	100	178	78
Insurance - general	10,000	10,110	110
Insurance - health	4,000	3,823	2,177
Miscellaneous	1,000	300	700
Office	3,300	3,751	(451)
Per Alton	4,900	5,700	800
Postage	1,000	1,000	(100)
Professional fees	2,000	2,000	000
Repairs and maintenance	-	-	-
Retirement	3,000	2,040	960
Salaries	40,000	43,700	3,700
Supplies	10,000	10,000	000
Taxes	100	1,040	(940)
Training	1,000	000	100
Transportation	4,000	3,437	1,573
Utilities	<u>5,000</u>	<u>5,440</u>	<u>140</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>143,000</b>	<b>148,317</b>	<b>5,317</b>
<b>OPERATING INCOME</b>	<b>10,000</b>	<b>9,458</b>	<b>552</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Gain on sale of fixed assets	-	4,000	4,000
Interest income	20,000	20,410	410
Interest expense	<u>10,000</u>	<u>10,460</u>	<u>2,660</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>10,000</b>	<b>3,950</b>	<b>13,950</b>
<b>NET INCOME</b>	<b>-</b>	<b>14,071</b>	<b>14,071</b>
<b>RETAINED EARNINGS - BEGINNING</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>RETAINED EARNINGS - ENDING</b>	<b>\$ 14,071</b>	<b>\$ 14,071</b>	<b>\$ 14,071</b>

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

CRONIN, CLARK & GILSON, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

**BRADSHAW, CASIDAY & CRULLORY, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

2000 WOODBRIDGE BLVD., SUITE 100  
BIRMINGHAM, ALABAMA 35202-4400  
MEMBER: AICPA, CPA, CMA, CFE, CFFA

JOHN W. BRADSHAW, C.P.A.  
BRUCE W. CASIDAY, C.P.A.  
DAVID L. CRULLORY, C.P.A.  
BRYAN BERRY, C.P.A.  
MICHAEL J. GIBSON, C.P.A.  
JOY WOODRIF, C.P.A.

AND LICENSED PUBLIC ACCOUNTANTS  
IN ALABAMA ONLY  
LAST CERTIFIED: 12/31/2000, 100% AND  
EFFECTIVE: 1/1/2001 AND  
RENEWAL: 12/31/2001

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL  
OVER FINANCIAL REPORTING ISSUED AS AN ASPECT OF  
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
West Allen Parish Water District  
Beeville, Louisiana

January 23, 1998

We have audited the financial statements of the West Allen Parish Water District, as of and for the year ended December 31, 1997, and have issued our report thereon dated January 23, 1998. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether West Allen Parish Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which you could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered West Allen Parish Water District's internal control structure over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and the

opinion that we consider to be material weaknesses.

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

*Angus Cowley & Gully*