

LIABILITIES AND FUND EQUITY

	<u>1996</u>	<u>1995</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 28,954	\$ 3,832
Accrued interest payable	53,284	47,125
Sales tax payable	442	574
Payroll taxes payable	2,542	634
Accrued vacation payable	3,820	788
Accrued OPE payable	880	880
Retainage payable	12,255	-
Due to Wisconsin Parish Police Jury	2,388	-
Current portion of revenue bonds	<u>248,000</u>	<u>248,000</u>
<b>Total Current Liabilities</b>	<u>508,125</u>	<u>558,319</u>
<b>CURRENT LIABILITIES (Expendable from Restricted Assets)</b>		
Water deposits payable	<u>8,928</u>	<u>8,928</u>
<b>LONG-TERM LIABILITIES</b>		
Revenue bonds (net of current portion)	<u>205,000</u>	<u>205,000</u>
<b>Total Liabilities</b>	<u>722,053</u>	<u>772,247</u>
<b>FUND EQUITY</b>		
Contributed capital	946,248	957,768
Retained earnings - accumulated	<u>16,088</u>	<u>12,218</u>
<b>Total Fund Equity</b>	<u>962,336</u>	<u>970,000</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 758,213</u>	<u>\$ 779,248</u>

MEMPHIS AIRPORT NO. 2 OF YEAR 4 OF COLLECTIVE LEASE  
MEMPHIS, LOUISIANA

STATEMENTS OF CASH FLOWS  
August 31,

	<u>1999</u>	<u>1998</u>
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$ 14,822	\$ 12,993
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	17,137	26,896
(Increase) decrease in receivables	( 3,294)	328
(Increase) decrease in prepaid expenses	543	( 2,407)
Increase (decrease) in accounts payable and other accrued expenses	18,352	( 7,802)
Total Adjustments	<u>32,738</u>	<u>26,915</u>
Net Cash Provided by Operating Activities	<u>47,560</u>	<u>39,908</u>
Cash Flows From Capital and Related Financing Activities:		
Capital contributions	\$ 44,913	\$ 12,348
Receipts of capital contributions	<u>68,287</u>	<u>-</u>
Net Cash Used for Capital and Related Financing Activities	<u>113,200</u>	<u>12,348</u>
Cash Flows From Investing Activities:		
Miscellaneous proceeds	87	15,763
Interest earned	525	387
Interest expense	<u>( 19,681)</u>	<u>( 12,688)</u>
Net Cash Used for Investing Activities	<u>( 18,469)</u>	<u>( 6,538)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,691	1,022
Cash and Cash Equivalents at Beginning of Year	<u>50,856</u>	<u>49,734</u>
Cash and Cash Equivalents at End of Year	<u>\$ 53,547</u>	<u>\$ 50,756</u>
Cash and Cash Equivalents Restricted:		
Unrestricted	\$ 45,158	\$ 41,148
Restricted	<u>8,389</u>	<u>9,608</u>
	<u>\$ 53,547</u>	<u>\$ 50,756</u>
Cash Paid for:		
Interest	<u>\$ 19,052</u>	<u>\$ 20,020</u>

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

INTERCOMER STATIST NO. 2 OF PAGE 4 OF CALCULATED PRICES  
Mortlake, Louisiana

Statement of Revenues, Expenses and Changes in Accumulated Deficit  
August 31.

	1986	1985
<b>OPERATING REVENUES</b>		
Water sales, late charges and fees	\$ 128,881	\$ 100,800
<b>OPERATING EXPENSES</b>		
Salaries and wages	28,357	32,570
Maintenance - plant and building	22,889	28,328
Plant supplies	6,728	3,823
Utilities	8,692	7,851
Chemicals	2,321	2,843
Printing and meter reading	6,348	6,357
Travel expense	1,889	2,183
Telephone	1,420	887
Accounting	2,880	2,880
Insurance	4,151	3,987
Payroll taxes	1,988	2,008
Postage	324	2,183
Depreciation	17,137	18,684
Fees	380	-
Office supplies	4,826	4,070
Per diem - board members	2,980	2,000
ERP Plan expense	1,880	2,000
Lease or operating expense	214	2,883
Miscellaneous	-	2,320
Bad debt expense	4,697	-
Reserves	281	-
Total Operating Expenses	128,881	85,827
<b>INCOME (LOSS) FROM OPERATIONS</b>	14,400	15,973
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Miscellaneous income	47	15,763
Interest income	828	887
Interest expense	1 32,883	1 32,883
Total Non-Operating Revenues (Expense)	1 32,880	1 5,880
<b>NET INCOME (LOSS)</b>	1 4,600	8,300
Add depreciation on fixed assets acquired by contributed capital that reduces contributed capital	2,314	2,314
<b>(INCREASE) DECREASE IN ACCUMULATED DEFICIT</b>	1 1,754	30,624
<b>RETAINED EARNINGS (ACCUMULATED DEFICIT) - September 1,</b>	22,536	2,314
<b>RETAINED EARNINGS - August 31,</b>	\$ 24,284	\$ 22,328

The accompanying notes are an integral part of the financial statements

In accordance with Government Auditing Standards, we have also issued a report dated November 27, 1996, on our examination of Metcreek District 2 of Ward 4 of Calcasieu Parish, Louisiana's internal control structure and a report dated November 27, 1996, on its compliance with laws and regulations.

*Thompson & Company*

Bossier, Louisiana  
November 27, 1996  
jgnc



# BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

*A Registered Corporation*

TELEPHONE

THIRTY AVENUE

MOBILE, ALABAMA

FAX NUMBER

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Waterworks  
District No. 2 of Ward 4 of Calcasieu  
Parish, Louisiana  
Mentone, Louisiana

We have audited the accompanying balance sheets of Waterworks District No. 2 of Ward 4 of Calcasieu Parish, Louisiana, a component unit of the Calcasieu Parish Police Jury, as of August 31, 2008 and 2009, and the related statements of revenues, expenses, and changes in accumulated deficit, and cash flows for the years then ended. These financial statements are the responsibility of the DISTRICT'S management, our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the following paragraph, we conducted our audits in accordance with generally accepted auditing standards, and 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

We did not test for compliance with revenue bond covenants because such information was not available. We were unable to satisfy ourselves about such bond covenants by means of other auditing procedures.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to test for revenue bond compliance, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Waterworks District No. 2 of Ward 4 of Calcasieu Parish, Louisiana as of August 31, 2008 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As disclosed in Note 3, the District is delinquent on principal and interest of the bonds outstanding. The bond holder, the Department of Housing and Urban Development, may, in its sole discretion, suspend the interest on a regular basis. The financial statements do not include any adjustments relating to the amounts and classification of liabilities that might be necessary if HUD enforced action against the district for the delinquent principal and interest.

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WATERWORKS DISTRICT NO. 2 OF  
WARD 4 OF CALCASIEU PARISH  
Mandeville, Louisiana

Financial Statements  
August 31, 1996 and 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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: FEB 5 1997

Board of Accountants  
Waterworks District No. 2 of Ward 4  
of Calcasieu Parish, Louisiana

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A proper segregation of duties is not feasible due to the small number of people involved in the District's day to day operations.

A material weakness is a reportable 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 or 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.

Our consideration of the internal control structure could not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

This report is intended solely for the use of management and other state and federal audit agencies. This restriction is not intended to limit the distribution of this report which, upon acceptance of state and federal audit agencies, is a matter of public record.

*Bowman & Company*

DeCade, Louisiana  
November 25, 1988  
/s/





# BROUSSARD & COMPANY

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON A FINANCIAL STATEMENT AUDIT PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Waterworks District 2 of Ward 4  
of Calcasieu Parish, Louisiana  
Westlake, Louisiana

We have audited the general purpose financial statements of Waterworks District No. 2 of Ward 4 of Calcasieu Parish, Louisiana, as of and for the year ended August 31, 1996, and have issued our report thereon dated November 27, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. 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.

The management of Waterworks District No. 2 of Ward 4 of Calcasieu Parish, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projections 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 Waterworks District No. 2 of Ward 4 of Calcasieu Parish, Louisiana, for the year ended August 31, 1996, 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.

WATERWORKS DISTRICT NO. 2 OF WARD 4 OF CALOUMIER PARISH  
New Orleans, Louisiana

Notes to Financial Statements (Continued)  
August 31, 1994 and 1995

Note 5 - Contributed Capital (Continued)

State of Louisiana - Emergency Project Funds	\$ 78,000
Opateau Charles Hotel & Suites	38,883
Cooperative Educator Agreement	145,000
	<u>261,883</u>
Less Depreciation on Fixed Assets Required by Contributed Capital	<u>(8,204)</u>
Contributed Capital - August 31, 1995	<u>\$ 253,679</u>

Note 6 - Construction in Progress

Extension of the district's water distribution system on Highway 90 is estimated to cost \$148,000 and projected to be complete December, 1996.

Note 7 - PENSION BENEFIT

The District contributes to a Simplified Employee Pension Plan (SEP) for 118 employees. The contributions for years 1994 and 1995 were \$3,300 and \$3,800, respectively.

**WATERWORKS DISTRICT NO. 2 OF PARISH 4 OF CALCAHOU PARISH  
Newlake, Louisiana**

**Notes to Financial Statements (continued)  
August 31, 1998 and 1997**

**Note 2 - Bonds Payable (Continued)**

Year Ending August 31,	
1997	\$ 200,100
1998	33,978
1999	33,978
2000	33,978
2001	33,978
2002 - 2010	218,738

There was no principal reduction on the outstanding bonds for the years ended August 31, 1998 and 1997. No principal payments reducing since the original bond issue have not been paid and are included in current liabilities, as well as the current installment due. Delinquent principal payable is \$150,000 for the year ended August 31, 1998. The bond holder, the Department of Housing and Urban Development, is aware of the delinquency and regularly monitors the progress made by the district in attempting to pay the delinquent principal and interest. No other action has been taken regarding the delinquent principal and interest.

The district expects to generate approximately \$15,000 - \$18,000 additional revenues from servicing the new users added through the water line extension project. The district intends to apply additional revenue not needed for plant operations to the delinquent principal payable.

**Note 3 - Meeting Expenses**

Members of the Board of Commissioners are paid a per diem allowance for attending board meetings. The total expenses for meetings during the current year are as follows:

Avin Stinson	2	\$10
Gene Marlier		\$10
Raymond Halverson		\$10
Edgar Bouton, Jr.		\$10
Larry Blunt		\$10
Total		<u>\$50</u>

**Note 4 - Cash**

As of August 31, 1998, cash balances of the District totaling \$20,100 were covered by financial institutions serving the District's deposits.

**Note 5 - Contributed Capital**

Contributed capital at August 31, 1998 consists of the following contributions related to a water line extension project.

Continued

WATERWORKS DISTRICT NO. 2 OF WARD 4 OF CALCASIEU PARISH  
MONROE, LOUISIANA

Notes to Financial Statements (Continued)  
August 31, 1976 and 1975

Note 1 - Summary of Significant Accounting Policies (Continued)

PROPERTY, PLANT AND EQUIPMENT AND LONG-TERM LIABILITIES

All fixed assets of the proprietary fund are recorded at historical cost.

The proprietary fund is accounted for on a cost of services or capital maintenance measurement basis, and all assets and liabilities (whether current or non-current) associated with its activity are included in the Balance Sheet.

Depreciation of all depreciable property, plant and equipment is charged as an expense against the operations. Depreciation has been provided using the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Building and improvements	5 - 15 years
Plant and distribution system	20 - 30 years
Furniture, fixtures and equipment	5 - 15 years
Equipment, steel and fence	10 years

The property, plant and equipment is stated at historical cost. Depreciation amounted to \$17,137 and \$18,336 for the years ended August 31, 1976 and 1975.

STATEMENT OF CASH FLOWS

For purposes of the Statement of Cash Flows, the District considers all investments with an original maturity of three months or less to be cash equivalents.

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.

Note 2 - Bonds Payable

Waterworks District 2 of Ward 4 of Calcasieu Parish issued \$200,000 of Revenue Bonds on September 1, 1970 that were purchased by the Department of Housing and Urban Development. The interest rate on the bonds is 5 1/8%. The annual requirements to amortize the bonds as of August 31, 1976, including interest of \$177,776, are as follows:

Clark Lewis

8

WATERWORKS DISTRICT NO. 2 OF WARD 4 OF CALCASIEU PARISH  
Bossier, Louisiana

Notes to Financial Statements  
August 31, 1994 and 1993

**Note 1 - Summary of Significant Accounting Policies**

Waterworks District 2 of Ward 4 of Calcasieu Parish was created by ordinance of the Calcasieu Parish Police Jury in 1989. The district is governed by a board of five members who are appointed by the Calcasieu Parish Police Jury.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

GASB No. 34 requires that governments' proprietary activities apply all applicable GASB pronouncements as well as the following provisions: GASB issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements; Financial Accounting Standards Board ("FASB") Statements and Interpretations; Accounting Principles Board Opinions and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The district has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

**FINANCIAL REPORTING ENTITY**

As more fully described in paragraph one above, the Waterworks District 2 of Ward 4 of Calcasieu Parish is governed by a board appointed by the Calcasieu Parish Police Jury. Therefore, the district is a component unit of the Calcasieu Parish Police Jury.

**FUND ACCOUNTING**

The accounts of the district are organized on the basis of a proprietary fund, which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**BASIS OF ACCOUNTING**

The district uses the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when incurred.

Continued



# BROUSSARD & COMPANY

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED  
ON A FINANCIAL STATEMENT AUDIT PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Waterworks District No. 2 of Ward 4  
of Calcasieu Parish, Louisiana  
Mottisco, Louisiana

We have audited the financial statements of Waterworks District No. 2 of Ward 4 of Calcasieu Parish, Louisiana as of and for the year ended August 31, 1986, and have issued our report thereon dated November 27, 1986.

We conducted our audit in accordance with generally accepted auditing standards and 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 financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Waterworks District No. 2 of Ward 4 of Calcasieu Parish, Louisiana is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the district's 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.

The results of our tests indicate that, with respect to the items tested, Waterworks District No. 2 of Ward 4 of Calcasieu Parish, Louisiana complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Waterworks District No. 2 of Ward 4 of Calcasieu Parish, Louisiana had not complied, in all material respects, with those provisions.

This report is intended for the information of management and other state and federal audit agencies. This obligation is not intended to limit the distribution of this report, which is a matter of public record.

*Broussard & Company*

New Orleans, Louisiana  
November 27, 1986  
jgs