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**PARISH OF IRBERVILLE, LOUISIANA
WATERWORKS DISTRICT NO. 3**

ANNUAL FINANCIAL REPORT

MARCH 31, 1968

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

Release Date: 7-24-68

PARISH OF IBERVILLE, LOUISIANA
 WATERWORKS DISTRICT NO. 3
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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 financial statements of the Parish of Iberville, Louisiana - Waterworks District No. 3, a component unit of the Iberville Parish Council, as of and for the year ended March 31, 1998, as listed in the Table of Contents. 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 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. These 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 audit provides a reasonable basis for our opinion.

In our opinion, the 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, 1998, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 1998, on our consideration of the Parish of Iberville, Louisiana - Waterworks District No. 3's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

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



Hugh F. Bayley
Pasadena, Louisiana
June 3/1998



EDGER F. BAZLEY, CPA
A Professional Accounting Corporation

Doug F. Bentley, CPA/PRACTICANT
Margaret A. Pritchard, CPA
Kent Craft, CPA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS

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

We have audited the financial statements of the Parish of Iberville, Louisiana - Waterworks District No. 3, a component unit of Iberville Parish Council as of and for the year ended March 31, 1998, and have issued our report thereon dated June 3, 1998. We conducted our audits 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.

Compliance

As part of obtaining reasonable assurance about whether the Parish of Iberville, Louisiana - Waterworks District No. 3'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 could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those 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 Parish of Iberville, Louisiana - Waterworks District No. 3's internal control 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 its operation that we consider to be material weaknesses.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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



Jeffrey D. Hapley
February 5, 1998

COMPONENT UNIT FINANCIAL STATEMENTS

PARISH OF BERWILLE, LOUISIANA—WATERWORKS DISTRICT No. 3

BALANCE SHEET—ASSETS

MARCH 31, 1988 AND 1987

	March 31, 1988	March 31, 1987
ASSETS		
Current Assets		
Cash	326,001	816,032
Accounts receivable (net of allowance for doubtful accounts of \$5,789 and \$5,957 at 1988 and 1987 respectively)	89,221	94,480
Other	35,828	23,212
	<u>451,050</u>	<u>933,724</u>
Restricted Assets		
Revenue bond fund—Time deposits	110,868	170,089
Revenue bond fund reserve account		
Cash	5,862	37,587
Time deposits and savings	287,628	241,680
Accrued interest income		3,544
Revenue bond replacement and extension account		
Cash	3,832	21,308
Time deposits and savings	12,999	12,888
Accrued interest income		848
Depreciation and contingency fund, Time deposits	73,440	87,648
Customer deposits		
Cash	8,385	81,398
Time deposits	55,782	35,821
Other		108
Land acquisition—cash	527	318
	<u>685,122</u>	<u>641,408</u>
PLANT		
Water distribution system	1,872,883	1,787,828
Meters, tanks and equipment	882,073	868,548
Water treating plant	3,282,898	3,282,898
	<u>6,037,854</u>	<u>5,939,274</u>
Less allowance for depreciation	1,212,382	1,287,884
	<u>4,795,130</u>	<u>4,651,390</u>
Land and rights of way	33,800	33,800
Unamortized cost of leased land	1,022	8,918
	<u>4,830,952</u>	<u>4,670,112</u>
OTHER ASSETS		
Meter deposits	36	35
Unamortized debt expenses	60,817	58,132
	<u>60,853</u>	<u>58,167</u>
TOTAL ASSETS	<u>\$5,638,498</u>	<u>\$5,712,932</u>

The accompanying notes are an integral part of this statement.

PARISH OF BERVILLE, LOUISIANA—WATERWORKS DISTRICT No. 3
BALANCE SHEET—LIABILITIES AND FUND EQUITY
MARCH 31, 1988 AND 1987

EXHIBIT A. CONT.

	March 31, 1988	March 31, 1987
LIABILITIES AND FUND EQUITY		
Current Liabilities		
Payable from current assets:		
Accounts payable	585,000	547,427
Taxes payable	1,852	2,294
	586,852	549,721
Payable from restricted assets:		
Current portion of revenue bonds	44,421	78,891
Accrued interest expense	15,915	18,932
Customers' meter deposits	71,861	88,891
Other	18,422	18,282
	150,619	135,996
	737,471	685,717
Long-Term Liabilities		
Waterworks revenue bonds, dated April 1970 (net of current maturities) (Note B)	585,000	585,000
Waterworks revenue bonds dated February 1982 (net of current maturities) (Note C)	184,405	216,748
Waterworks revenue bonds, dated August 1982 (net of current maturities) (Note C)	1,024,818	1,072,806
	2,694,223	2,774,554
TOTAL LIABILITIES	2,858,768	2,858,249
FUND EQUITY		
Contributed capital - Bayou Bienvenue	57,322	57,322
Contributed capital—customers and others (Note D)	819,078	898,089
Contributed capital—FHA (Note D)	1,300,000	1,300,000
Contributed capital—state grant (Note D)	88,382	88,382
Contributed capital - Berville Parish Council (Note E)	32,246	-
	2,085,028	2,074,843
Retained earnings:		
Reserved for revenue bond interest and retirement, system replacement and extension and construction	434,302	458,518
Unreserved	275,851	314,667
	710,153	773,185
TOTAL FUND EQUITY	2,775,181	2,788,028
TOTAL LIABILITIES AND FUND EQUITY	5,633,949	5,646,277

The accompanying notes are an integral part of this statement.

EXHIBIT B

PARISH OF IBERVILLE, LOUISIANA—WATERWORKS DISTRICT No. 3
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS—ENTERPRISE FUND
 YEARS ENDED MARCH 31, 1998 AND 1997

	March 31, 1998	March 31, 1997
OPERATING REVENUES		
Sale of water	\$225,040	\$205,081
Permitted discounts	24,640	25,314
Connection and service fees	70,681	6,928
	<u>320,361</u>	<u>237,323</u>
OPERATING EXPENSES		
Management fees	281,890	241,294
Repairs and maintenance	80,608	74,818
Depreciation	124,898	170,804
Power charges	51,851	35,171
Insurance	16,898	12,701
Board fees	12,808	10,328
Telephone	3,501	4,150
Professional fees	26,370	22,770
Uncollectible accounts	3,645	8,479
Office expenses and supplies	6,643	3,760
Amortization of land lease	8,921	8,921
Miscellaneous	7,448	1,460
Water treating chemical	118,930	118,468
Water plant operators	118,982	118,686
	<u>802,382</u>	<u>772,682</u>
OPERATING INCOME	<u>137,979</u>	<u>64,641</u>
NON-OPERATING REVENUES		
Other	10,574	4,350
Interest on investments	22,683	17,738
	<u>33,257</u>	<u>22,108</u>
NON-OPERATING EXPENSES		
Revenue bond interest	148,730	154,287
Amortization of deferred debt expense	2,987	2,657
Other interest expense	1	223
	<u>151,718</u>	<u>157,167</u>
NET INCOME (LOSS)	<u>(13,739)</u>	<u>(92,526)</u>
RETAINED EARNINGS, BEGINNING	<u>774,437</u>	<u>878,968</u>
RETAINED EARNINGS, ENDING	<u>\$760,698</u>	<u>\$786,442</u>

The accompanying notes are an integral part of this statement.

PARISH OF IDERVILLE, LOUISIANA—WATERWORKS DISTRICT No. 3
STATEMENT OF CASH FLOWS—ENTERPRISE FUND
FOR THE YEARS ENDED MARCH 31, 1998 AND 1997

	<u>March 31,</u> <u>1998</u>	<u>March 31,</u> <u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$83,016	\$89,689
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	131,819	125,826
Provision for uncollectibles	(1,098)	17
Other revenue	90,278	4,358
Changes in assets and liabilities:		
(Increase) Decrease in accounts receivable	(3,540)	9,828
(Increase) in other assets	(14,759)	(285)
(Decrease) increase in accounts payable	10,881	3,863
Increase in customer deposits	5,118	11,573
(Decrease) in other liabilities	(7)	507
(Decrease) increase in taxes payable	(412)	14
(Increase) in accrued interest receivable	4,189	(629)
(Decrease) in accrued interest payable	(3,071)	(892)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>193,323</u>	<u>343,287</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital asset	(82,131)	(184,109)
Principal paid on revenue bond maturities and lease note	(184,898)	(75,216)
Capital contributed by subdivisions and Parish Council	49,250	74,732
Interest paid on revenue bonds and lease note	(149,736)	(154,818)
NET CASH USED FOR CAPITAL AND FINANCING ACTIVITIES	<u>(367,515)</u>	<u>(349,401)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	32,963	17,299
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>32,963</u>	<u>17,299</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(141,189)</u>	<u>(188,815)</u>
CASH AND CASH EQUIVALENTS—BEGINNING OF YEAR	<u>682,248</u>	<u>871,063</u>
CASH AND CASH EQUIVALENTS—END OF YEAR	<u>541,059</u>	<u>682,248</u>

The accompanying notes are an integral part of this statement.

PARISH OF IBERVILLE, LOUISIANA - WATERWORKS DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1998

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 1971. The governing authority of the District consists of six members of a Board of Commissioners appointed to five-year terms by the Parish Council.

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.

Basis 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 zones. 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 expansions, and reserves for depreciation and amortization--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 5-30 years.

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

**PARISH OF HIRVILLE - 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 1 to 30 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

BONDS MATURING IN FISCAL YEAR	SERIAL BOND NUMBERS	TOTAL MATURITIES
2000	80-86	15,000
2001	97-103	15,000
2002	104-111	40,000
2003	112-119	40,000
2004	120-128	45,000
2005	129-137	45,000
2006	138-146	45,000
2007	147-156	50,000
2008	157-166	50,000
2009	167-177	55,000
2010	178-189	55,000
2011	190-200	55,000
TOTALS		\$850,000

PARISH OF IBERVILLE - 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 1/4 of 1% each year after the tenth year, on or after which date there shall be no premium on bonds called.

Mississippi Revenue Bonds Dated February 05, 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 5% 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, 1989 (interest only)	\$10,950
Amount due February 10, 1999-2007 (principal and interest)	\$318,250

Mississippi Revenue Bonds, Series 2894, 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 bears interest at a rate of 5 5/8% per annum. The bonds are payable in annual installments of \$127,600, including interest, beginning February 10, 1993 and annually thereafter through February 10, 2033. 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, 1999 (interest only)	\$307,708
Amount due February 10, 1999 - 2033 (principal & interest)	\$4,466,000

PARISH OF IBERVILLE - 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 21, 1982, 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 revenue 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 1982 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 1982 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 20% 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 \$72,000. 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 1981 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 \$500. The payments were to continue until the amount of \$38,000 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 \$72,000.

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

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

The 1983 and 1992 bond issues also established a "Depreciation and Contingency Fund" into which monthly transfers of \$1,144 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:

	CUSTOMERS	
	1998	1997
Balance, beginning of year	\$655,341	\$501,409
Add: Contributions from customers	17,918	74,712
Balance, end of year	\$673,259	\$576,121
	FHA	
	1998	1997
Balance, beginning of year	\$1,300,000	\$1,300,000
Add: Contributions from customers	-	-
Balance, end of year	\$1,300,000	\$1,300,000
	STATE GRANT	
	1998	1997
Balance, beginning of year	\$59,302	\$59,302
Add: Contributions from customers	-	-
Balance, end of year	\$59,302	\$59,302
	IBERVILLE PARISH COUNCIL	
	1998	1997
Balance, beginning of year	\$ -	\$ -
Add: Contributions from Iberville Parish Council	72,248	-
Balance, end of year	\$ 72,248	\$ -

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

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

For the year ended March 31, 1998, the Parish of Iberville, 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. As March 31, 1998, the Parish of Iberville, Louisiana - Waterworks District No. 3 has bank balances totaling \$619,352.

The Bank of Commerce maintains an account in the name of the Parish of Iberville, Louisiana - Waterworks District No. 3 and thus has federal deposit insurance for that account in the amount of \$100,000 for checking, savings, and investments. 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 Iberville, Louisiana - Waterworks District No. 3 in the (fiscal agency) contract at March 31, 1998, with the related federal deposit insurance and pledged securities:

	<u>BANK BALANCES</u> <u>MARCH 31, 1998</u>	<u>FDIC</u> <u>INSURANCE</u>	<u>BALANCES</u> <u>UNINSURED</u>
Cash	<u>368,152</u>	<u>251,200</u>	819,352
Uncollateralized - Securities pledged and held by custodial banks in the name of fiscal agent banks at their market value, at March 31, 1998			<u>1,254,200</u>
Excess of FDIC insurance and pledged securities over cash at March 31, 1998			<u>300,000</u>

PARISH OF IBERVILLE - WATERWORKS DISTRICT 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 GASB Statement 3, Louisiana Revised Statute 39:1219 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(s) 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 Henson, Sr. According to the Waterworks' legal counsel, there is not a great amount of exposure to the District in reference to the alleged claims.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

**PARISH OF IBERVILLE, LOUISIANA - WATERWORKS DISTRICT NO. 3
 COMMENTS ON OPERATIONS OF WATER UTILITY SYSTEM
 MARCH 31, 1998**

Revenues are derived from the sale of water at the following rates:

Residential rates

First 2,000 gallons or less per month	\$11.00 (minimum)
Over 2,000 gallons	\$2.50 per 1,000 gallons

Small commercial rates

First 2,000 gallons or less per month	\$15.00 (minimum)
Over 2,000 gallons	\$2.50 per 1,000 gallons

Large commercial rates

First 10,000 gallons per month or less	\$25.00 (minimum)
Over 10,000 gallons	\$2.50 per 1,000 gallons

Customer statistics relative to water billed and number of customers for the year ended March 31, 1998 are as follows:

	<u>1998</u>	<u>1997</u>
Water Revenue	\$825,846.00	\$827,767.00
Quantity of water sold (in thousand gallons)	299,388.3	240,742.1
Average number of customers billed	2,680	2,508
Average quantity of water used per customer (in thousand gallons)	89.72	92.66
Annual average per customer	\$308.15	\$318.62
Average revenue per thousand gallons sold	\$2.44	\$2.44

There were 2,682 water utility customers at March 31, 1998.

SCHEDULE I

**PARISH OF BERNARD, LOUISIANA -- WATERWORKS DISTRICT NO. 5
SCHEDULE OF CHANGES IN ASSETS RESTRICTED FOR REVENUE BOND DEBT SERVICE
MARCH 31, 1999 AND 1997**

	REVENUE BOND FUND	RESERVE ACCOUNT	REPLACEMENT AND EXTENSION ACCOUNT	DEPRECIATION AND CONSUMPTION FUND
BALANCE, March 31, 1996		1268,285	148,394	162,128
Transfer from unrestricted cash	277,500	8,124	3,088	11,511
Interest earned (including accrued interest receivable)	3,652	8,112	1,853	1,809
Transfer to unrestricted cash	-	908	(28,258)	-
Bonds retired	(75,115)	-	-	-
Bond interest paid during year	(124,818)	-	-	-
Other charges	-	-	-	-
BALANCE, March 31, 1997	770,009	202,811	24,389	67,448
Transfer from unrestricted cash	288,813	8,124	3,880	15,805
Interest earned (including accrued interest receivable)	4,244	1,243	339	1,458
Transfer net from unrestricted cash	-	-	(21,876)	(7,872)
Bonds retired	(24,685)	-	-	-
Bond interest paid during year	(248,282)	-	-	-
Other charges	-	-	-	-
BALANCE, March 31, 1998	\$118,099	129,248	\$13,522	\$73,448
RECAP OF ENDING BALANCE				
Cash	-	45,662	32,312	-
Time deposits and savings	118,099	207,426	17,990	73,448
Accrued interest	-	-	-	-
BALANCE, March 31, 1998	\$118,099	253,088	\$13,522	\$73,448

PARISH OF BERWILE, LOUISIANA - WATERWORKS DISTRICT NO. 3
 PLANT ASSETS AND DEPRECIATION
 MARCH 31, 1998

	ASSETS			ACCUMULATED DEPRECIATION		
	Balance March 31, 1997	Additions	Disposals	Balance March 31, 1997	Additions	Disposals
Water distribution systems	\$1,791,006	575,587 \$	-	\$246,877	\$29,137 \$	-
Wells, tanks and equipment	661,249	16,784	-	184,990	20,309	-
Water treating plant	1,252,686	-	-	233,814	63,852	-
TOTAL	\$3,705,941	692,371 \$	-	\$665,681	\$114,898 \$	-
						\$3,613,962

SCHEDULE A

PARISH OF HERVILLE, LOUISIANA - WATERWORKS DISTRICT NO. 3
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
YEAR ENDED MARCH 31, 1998

YEAR ENDED MARCH 31, 1998

<u>BOARD MEMBER</u>	<u>AMOUNT</u>
Irina Jarvis	\$ 960
Leroy Pugh, Sr.	1,220
J. O. Ancelet	1,220
Ernest Hodges, Jr.	1,220
Mercades Bradford	2,190
Marianne Ritzeman	<u>2,220</u>
TOTAL COMPENSATION TO BOARD MEMBERS	<u>\$11,890</u>

PRINCIPAL OFFICERS

Principal officers of the District are as follows:

President	Ernest Hodges, Jr.
Secretary-Treasurer	J. O. Ancelet

PARISH OF IBERVILLE, LOUISIANA - WATERWORKS DISTRICT NO. 3
INSURANCE IN FORCE
MARCH 31, 1998
(Unaudited)

Insurance in Force at March 31, 1998 was as follows:

(1) Commercial General Liability:	
General Aggregate Limit (Other Than Products-Completed Operations)	\$1,000,000
Products-Completed Operations Aggregate Limit	1,000,000
Personal and Advertising Injury Limit	1,000,000
Each Occurrence Limit	1,000,000
Fire Damage Limit (Any One Fire)	80,000
Medical Expense Limit (Any One Person)	5,000
(2) Automobile Liability:	
Combined Single Limit	1,000,000
(3) Property Damage	
2200 44th River Road, White Castle, LA	
Warehouse	40,400
Chlorinator Bldg.	7,500
Pumps & Equipment	7,500
2710 Hwy 605, White Castle, LA	
250,000 gallons tank	250,000
2024 Bellevue Road, Plaquemine, La.	
100,000 gallons tank	129,900
113 Hwy 484, Cloutier, Tank	
100,000 gallons tank	129,900
274 La Hwy 484, White Castle, LA	
Booster Station	35,400
2342 River Road, White Castle, LA	
Pumps & Equipment	31,200
Chlorinator	26,000
2200 Bellevue Road, Plaquemine, La.	
Building	1,150,000
Personal Property	70,000
Fence	12,900
(4) Worker Employee Discovery	100,000

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