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**WATERSHOLE DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION,  
STATE OF LOUISIANA**  
Natchitoches, Louisiana

**GENERAL-PURPOSE FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS**  
Year ended July 31, 1988

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

Release Date 1-13-99

**Wagnersack & Associates (APAC)**  
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**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION,  
STATE OF LOUISIANA  
Napoleonville, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS  
Year ended July 31, 1995**

**CONTENTS**

	Table	Schedule	Page
Independent Auditor's Report	-	-	3
<b>GENERAL-PURPOSE FINANCIAL STATEMENTS:</b>			
Balance Sheet - All Fund Types and Account Group	A	-	2-3
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund Type - Debt Service Fund	B	-	5
Statement of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Type - Enterprise Fund - Waterworks System	C	-	8
Statement of Cash Flows - Proprietary Fund Type - Enterprise Fund - Waterworks System	D	-	7
Notes to Financial Statements	-	-	8-11
<b>SUPPLEMENTARY INFORMATION</b>			
Operating Expenses - Waterworks System	-	1	18-20
Schedule of Revenues and Expenses - Waterworks System - Budget and Actual	-	2	20-22
Schedule of Changes in Assets Financial for Revenue Fund Debt Service	-	3	23
Number of Metered Water Customers (Unmanned)	-	4	24
Board of Commissioners - For Term	-	5	25
<b>INDEPENDENT AUDITOR'S REPORT REQUIRED BY GOVERNMENT ACCOUNTING STANDARDS</b>			
Schedule of Findings and Questioned Costs		6	26
Summary Schedule of Prior Audit Findings		7	27
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	-	-	28-29

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(A Professional Accounting Corporation)

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## INDEPENDENT AUDITORS REPORT

The Board of Commissioners  
Waterworks District No. 1 of the  
Parish of Assumption, State of Louisiana  
Natchitochesville, Louisiana

We have audited the accompanying general-purpose financial statements of Waterworks District No. 1 of the Parish of Assumption, State of Louisiana (the District), a component unit of the Assumption Parish Police Jury, as of and for the year ended July 31, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the Louisiana Government Audit Guide, issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants. 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 general-purpose financial statements referred to above present fairly, in all material aspects, the financial position of the Waterworks District No. 1 of the Parish of Assumption, State of Louisiana, as of July 31, 1998, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 9, 1998 on our reevaluation of Waterworks District No. 1 of the Parish of Assumption's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants.

The audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying financial information listed as "Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the Waterworks District No. 1 of the Parish of Assumption, State of Louisiana, a component unit of the Assumption Parish Police Jury. Such information, except for the Schedule of Merged Water Customers marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material aspects in relation to such general-purpose financial statements taken as a whole.

*Waguespack & Associates (APC)*

Belle Rose, Louisiana  
October 9, 1998

**WATERBORO DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Exhibit A

**Balance Sheet - All Fund Types and Account Group**

July 31, 1998

ACCOUNT	Governmental Fund Type - Debt		Proprietary Fund Type - Debt	Account Group Overall Long-Term Debt		Total (Governmental Debt)
	Services					
Cash	\$	-	\$	36,449	\$	36,449
Investments		12,000		603,650		623,341
Accounts receivable		-		-		-
Misc. notes charges, net of \$4,950 for an allowance for doubtful accounts		-		125,167		125,167
Unbilled water charges		-		141,159		141,159
Other receivables		-		32,216		32,216
Inventory of supplies		-		41,129		41,129
Prepaid expenses		-		52,178		52,178
Property and rights held under deferred-compensation plan		-		86,110		86,110
Designated assets-capital improvements		-		-		-
Cash		-		51,219		51,219
Investments		-		508,128		508,128
Restricted assets-able service:		-		-		-
Cash		-		628		628
Investments		-		1,208,112		1,208,112
Restricted assets-customers' deposits:		-		-		-
Cash		-		2,689		2,689
Investments		-		183,008		183,008
Utility plant and equipment, net		-		9,000,674		9,000,674
Unamortized debt issue costs		-		76,122		76,122
Amount available in debt service funds		-		-		-
Total assets		<u>\$1,000</u>		<u>11,841,032</u>		<u>12,841,032</u>
				<u>28,008</u>		<u>28,008</u>
				<u>\$1,000</u>		<u>\$1,000</u>

(Continued)

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

STATEWORKS REPORT NO. 1 OF THE  
 PUBLIC ACCOUNTANTS, STATE OF LOUISIANA

Exhibit A

Balance Sheet - All Fund Types and Account Group

July 31, 1998

LIABILITIES AND FUND EQUITY	Governmental Fund Types - Basis		Proprietary Fund Type Description	Account Group General Long Term Debt	Total Governmental Credit
	\$	%			
<b>Liabilities:</b>					
Accounts Payable	\$ 64,277	\$	64,277	\$	\$ 64,277
Accrued wages payable	-	-	19,099	-	19,099
Accrued vacation payable	-	-	16,267	-	16,267
Obligations to employees under deferred compensation plan	-	-	90,333	-	90,333
Payable to nonfinancial assets:					
Revenue bonds	-	-	1,920,819	-	1,920,819
Interest payable	-	-	97,794	-	97,794
Contractors' deposits	-	-	187,816	-	187,816
Revenue bonds payable	-	-	1,210,688	-	1,210,688
All returns to bond payable	-	-	-	20,000	20,000
Short liabilities	-	-	3,007,011	20,000	3,027,011

(Continued)

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

WATERWORKS DISTRICT NO. 1 OF THE  
 PUBLIC OF ASSUMPTION, STATE OF LOUISIANA

Exhibit A

Balance Sheet - All Fund Types and Account Group

July 31, 1998

	Commutational Fund Type DWN Revenue	Proprietary Fund Type Intergovt	Account Group		Total Excludes (includes Cash)
			General Fund Types	Debt	
<b>Fund equity</b>					
Contributed capital	-	4,000,000	-	-	4,000,000
<b>Retained Earnings</b>					
Reserved for income bond debt service and contingencies	-	665,588	-	-	665,588
Unreserved					
Designated for subsequent year capital expenditures and other expenditures	-	4,241,179	-	-	4,241,179
Undesignated	-	3,018,328	-	-	3,018,328
Total retained earnings					
Fund balances reserved for debt service	22,600	-	-	-	22,600
Total fund equity	22,600	18,079,804	-	-	18,102,404
<b>Total liabilities and fund equity</b>	<u>22,600</u>	<u>18,041,028</u>	<u>28,000</u>	<u>28,000</u>	<u>18,099,628</u>

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

WATERBURY DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA

Exhibit B

Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Governmental Fund Type - Debt Service Fund

For the Year Ended July 31, 2020

Revenues:

Ad valorem taxes	\$	16,717
Interest earnings		<u>1,222</u>

Total revenues		<u>18,000</u>
----------------	--	---------------

Expenditures:

Debt service:

Principal retirement	\$	20,000
Interest expense		<u>2,100</u>
Paying agent's fees		<u>100</u>

Total expenditures		<u>22,200</u>
--------------------	--	---------------

Excess (deficiency) of revenues over expenditures		<u>(4,200)</u>
--	--	----------------

Fund balance at beginning of year		<u>26,851</u>
-----------------------------------	--	---------------

Fund balance at end of year	\$	<u>22,651</u>
-----------------------------	----	---------------

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



**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Exhibit C

**Statement of Revenues, Expenses, and Changes in Retained Earnings  
Proprietary Fund Type - Enterprise Fund - Waterworks System**

**For the Year Ended July 31, 1998**

<b>Operating Revenues:</b>	
<b>Revenues from sales and service charges:</b>	
Water sales	\$ 1,096,181
Other water service charges	87,080
Delinquent charges	57,772
Solid waste, garbage, and sewerage collection fees	<u>76,308</u>
<b>Total operating revenues</b>	<u>1,317,341</u>
<b>Operating expenses:</b>	
Waterworks system expenses	789,340
Office, general and administrative expenses	811,485
Depreciation	<u>302,490</u>
<b>Total operating expenses</b>	<u>1,813,314</u>
<b>Operating income</b>	<u>494,027</u>
<b>Nonoperating revenues (expenses):</b>	
Interest income	131,248
Gain on disposal of equipment	7,275
Miscellaneous	1,000
Interest expense	(271,212)
Amortization of debt issue costs	(6,875)
Loss on investments	<u>(1,875)</u>
<b>Total nonoperating revenues (expenses)</b>	<u>(140,829)</u>
<b>Net income</b>	<u>353,198</u>
<b>Retained earnings at beginning of year</b>	<u>1,789,500</u>
<b>Retained earnings at end of year</b>	<u>\$ 2,142,698</u>

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

**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Exhibit D

**Statement of Cash Flows - Proprietary Fund Type -  
Enterprise Fund - Waterworks System**

**For the Year Ended July 31, 1998**

**INCREASE (DECREASE) in Cash and Cash Equivalents:**

<b>Cash flows from operating activities:</b>		
Operating income	\$ 271,831	
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	\$ 362,489	
Changes in assets and liabilities:		
Receivables	(28,877)	
Inventory of supplies	9,356	
Prepaid expenses	(98)	
Accounts payable	40,790	
Other accrued expenses	(1,181)	
Total adjustments	369,789	
Net cash provided by operating activities	<u>641,720</u>	
<b>Cash flows from noncapital financing activities:</b>		
Customer deposits received	39,140	
Customer deposits refunded	(73,881)	
Net cash provided by noncapital financing activities	<u>6,259</u>	
<b>Cash flows from capital and related financing activities:</b>		
Proceeds from disposal of equipment	7,279	
Acquisition and construction of capital assets	(52,016)	
Proceeds received from issuance of revenue bonds	1,589,688	
Principal paid on revenue bonds	(86,438)	
Interest paid on revenue bonds	(248,086)	
Bond issue costs	(28,647)	
Other non-operating revenues	3,000	
Net cash used for capital and related financing activities	<u>(488,020)</u>	
<b>Cash flows from investing activities:</b>		
Interest earned on investments	132,149	
Income in investments	669,689	
Increase in investments - capital improvements	(188,129)	
Increase in investments - debt service	(2,188,110)	
Increase in investments - customers' deposits	(189,628)	
Loss on investments	(152)	
Net cash used for investing activities	<u>(2,183,311)</u>	
Net increase (decrease) in cash and cash equivalents	<u>(1,624,312)</u>	
Cash and cash equivalents at beginning of year	<u>1,881,421</u>	
Cash and cash equivalents at end of year	<u>\$ 257,109</u>	
<b>Included in Balance Sheet as cash and cash equivalents:</b>		
Cash	\$ 28,349	
Dedicated cash - capital improvements	11,250	
Restricted cash - debt service	634	
Restricted cash - customers' deposits	7,836	
	<u>\$ 48,069</u>	

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

**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

**Notes to Financial Statements  
Year Ended July 31, 1999**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

On July 18, 1958, in accordance with the provisions of Chapter 5 of Title 33 of the Louisiana Revised Statutes of 1950, the Police Jury of the Parish of Assumption created the Waterworks District No. 1 of the Parish of Assumption, State of Louisiana (hereinafter referred to as the District). The District as created by the Police Jury encompasses the identical area as the Parish of Assumption.

**Basis of Presentation.** The accompanying general-purpose financial statements of the District 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.

**Reporting Entity.** As the governing authority of the parish, for reporting purposes, the Assumption Parish Police Jury is the financial reporting entity for Assumption Parish. The financial reporting entity consists of (a) the primary government (Assumption Parish 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 Assumption 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 a series to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - the ability of the police jury to impose its will on that organization, and/or
  - the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the police jury.
2. Organizations for which the police jury does not appoint a voting majority, but are legally dependent on the police jury.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Even though the District is legally separate from the police jury, the Assumption Parish Police Jury appoints a majority of the district's governing body, and the Police Jury has the ability to impose its will on the district. The District also has the potential to provide specific benefits to, or impose specific financial burdens on the police jury. Because of these reasons, the management of the district's affairs has determined that the District is a component unit of the Assumption Parish Police Jury.

**Fund Accounting.** The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the manner by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two general fund types and two broad fund categories as follows:

**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

**Notes to Financial Statements  
Year Ended July 31, 1998**

**NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Governmental Fund - Debt Service Fund:**

Debt service funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs (i.e., of various tax bonds).

**Proprietary Fund - 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 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.

**Long-Term Liability:** The accounting and reporting treatment applied to the long-term liabilities associated with a fund are determined by its measurement focus. Long-term liabilities financed from debt are accounted for in the General Long-Term Debt Account Group.

All government fund-type operations are accounted for on a spending, or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Long-term liabilities financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

**Basis of Accounting:** Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Debt Service Fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income is considered "measurable" when in the hands of collecting governments and is recognized as revenue at that time. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception is for principal and interest on long-term debt which are recognized when due.

The Enterprise Fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Services for water are recorded as revenues as billed to customers on a monthly cycle reading cycle. At the end of the year, water services which have been rendered, but unbilled, are accrued for financial reporting purposes.

**Cash and Cash Equivalents:** All highly liquid investments (including restricted assets) with a maturity of three months or less are considered to be cash equivalents for purposes of reporting cash flows.

**Inventory:** The District values its inventory of supplies at the lower of cost or market using the first-in, first-out method.

**Utility Plant and Equipment:** All utility plant and equipment are capitalized in the proprietary fund and are stated at historical cost less accumulated depreciation.

Depreciation of all-weather utility plant and equipment used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method (see Note 1).

**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements  
Year Ended July 31, 1998

**NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Contributions for Meter:** Contributions received from customers for new meter services are treated as income. The cost of installing new meter services are expensed in the year incurred.

**Vacation and Sick Leave:** The District's employees earn one to five weeks vacation annually based on number of years of employment. Employees can accumulate a maximum of 40 hours of unused vacation which can be carried forward and taken in subsequent periods. Upon termination, employees are paid for any unused current year and any accumulated vacation hours. Employees are allowed ten days of sick leave annually which can accumulate up to ninety days that may be used for sickness only. The sick leave plan is coupled with a disability insurance policy.

**Total Column on Combined Statement Overlay:** The total column on the combined statement overview is captioned *Memorandum Only* to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Itemized eliminations have not been made in the aggregation of this data.

**NOTE 8 - FLOW OF FUNDS - RESTRICTIONS ON USE**

Under the terms of the bond indentures with the Louisiana Public Financing Authority (LPFA) on the outstanding revenue bonds dated March 23, 1999 and November 3, 1990 (see Note 2, last paragraph), all income and expenses (hereinafter referred to as revenues) of every nature, derived from operation of the Waterworks System are pledged and dedicated to the retirement of said bonds. Below are the revenues which are to be set aside into the following special funds:

All revenues shall be periodically deposited in a "Waterworks Utility Revenue Fund" to provide for payment of all maturities and necessary expenses of operating and maintaining the System.

Each month there will be set aside into a fund called the "Waterworks Utility Bond and Interest Sinking Fund" an amount constituting 2/3 of the next maturing installment of principal and 1/3 of the next maturing installment of interest on the outstanding LPFA bonds. Each month's 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.

There shall also be set aside into a "Waterworks Utility Revenue Bond Reserve Fund" an amount equal to 5% of the amount to be paid into the Waterworks Utility Bond and Interest Sinking Fund each month as required on the LPFA bonds until there shall have been accumulated an amount equal to the maturing principal and interest on bonds payable from the Sinking Fund which would otherwise be in default.

In addition, there shall be set aside into a "Waterworks Utility Depreciation and Contingency Fund" an amount equal to 5% of the amount to be paid into the Waterworks Utility Bond and Interest Sinking Fund described above. Such amounts are to be used for maintenance, additions, improvements and replacements necessary to properly operate the Waterworks System. Money in this fund may also be used to pay principal or interest falling due on the LPFA bonds at any time there is not sufficient money for payment in the other bond funds, but if so used, such money shall be replaced from earnings of the District as soon as possible after making the required payments into the respective funds set forth above.

**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements  
Year Ended July 31, 1998

**NOTE B - FLOW-OF-FUNDS - RESTRICTIONS ON LRC - Continued**

On July 17, 1989, the Board of Commissioners of the District created the "Waterworks Utility Revenue Fund - Capital Improvements". Said fund is to receive monies in excess of \$20,000 shown in the annual audit report remaining in the Waterworks Utility Revenue Fund as July 31 of each year after making all required payments into the Sinking, Reserve and Depreciation and Contingency Funds. The excess shall be considered surplus and shall be deposited in this fund. Said fund is to be used by the District for the purpose of making extensions, additions, improvements, renewals, and replacements to the System or for the purpose of retiring outstanding bonds in advance of their maturity, or any other legal purpose determined by the Board to be in the best interest of the District and not in violation of the 1989 and 1997 LRA bond issue requirements. The required transfer to this fund for the year ended July 31, 1998 is \$205,024.

**NOTE C - AD VALOREM TAXES**

Ad valorem taxes which are an enforceable lien on property as of January 1 of each year. Taxes are levied by the District during June and are actually billed to the taxpayers in November by the tax assessor. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

For the year ended July 31, 1998, taxes of .30 mill were levied on property with assessed valuations totaling \$58,366,806 for 1997 and were dedicated to pay the ad valorem tax base of the District. Total taxes levied were \$17,474 less the contributions to the pension plan totaling \$552.

**NOTE D - UTILITY PLANT AND EQUIPMENT**

A summary of utility plant and equipment at July 31, 1998 follows:

	Life				
	in		Accumulated		Straight-
	Years	Cost	Depreciation	Net	
					Method
					Depreciation
					This Year
Land and rights of way	-	\$ 129,857	\$ -	\$ 129,857	\$ -
Pumps, pumping and purification structures and equipment, including water plant building	15-40	4,006,412	1,826,214	2,180,198	89,999
Transmission and distribution main and accessories	15-40	33,460,882	4,299,257	29,161,625	583,651
Transformers, office and other equipment	3-33	443,327	317,815	125,512	38,815
Construction in progress: New transmission lines and other projects	-	118,429	-	118,429	-
<b>Total</b>		<b>\$ 34,158,887</b>	<b>\$ 6,443,286</b>	<b>\$ 27,715,601</b>	<b>\$ 692,465</b>

**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements  
Year Ended July 31, 1998

**NOTE D - UTILITY PLANT AND EQUIPMENT - Continued**

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Balance at beginning of year	\$ 17,560,485	\$ 7,845,338	\$ 9,715,147
<b>Additions:</b>			
Land	3,312	-	3,312
Power, pumping, and purification	8,815	-	8,815
Transmission and distribution main and accessories	126,575	-	126,575
Transportation, office and other equipment	57,487	-	57,487
Construction in progress incurred during year	309,634	-	309,634
Depreciation expense	-	582,489	(582,489)
<b>Deductions:</b>			
Construction in progress completed during year	(12,883 )	-	(12,883)
Sales and other dispositions of equipment	(28,482 )	(28,482 )	-
<b>Balance at end of year</b>	<b>\$ 18,224,087</b>	<b>\$ 8,419,423</b>	<b>\$ 9,804,664</b>

Interest incurred in the proprietary fund of \$777,212 was charged to expense (no interest was capitalized as part of utility plant and equipment).

**NOTE E - CASH AND CASH EQUIVALENTS**

As July 31, 1998, the waterworks district has cash and cash equivalents totaling \$44,829 (book balances) as follows:

**Cash and cash equivalents:**

Cash on hand	\$	9,329
Demand deposits		24,508
Interest bearing demand deposits	—	11,229
Total bank deposits		35,737
<b>Total cash and cash equivalents</b>	<b>\$</b>	<b>44,829</b>

**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

**Notes to Financial Statements  
Year Ended July 31, 1998**

**NOTE E - CASH AND CASH EQUIVALENTS - Continued**

These deposits are stated at cost, which approximates market. Under state law, the bank deposits (or the resulting bank balances) must be secured by federal deposit insurance or 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 collateral bank that is mutually acceptable to both parties.

As July 31, 1998, the district has \$193,532 in deposits (collected bank balances). These deposits are secured from risk by \$200,800 of federal deposit insurance and \$495,777 of pledged securities held by the collateral bank in the name of the fiscal agent bank (GA-59 Category 3).

Even though the pledged securities are considered unencumbered (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:222F imposes a statutory requirement on the collateral 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 F - INVESTMENTS**

Under state law, the municipality may invest in United States bonds, treasury notes or certificates. These are classified as investments. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Fund, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost.

As July 31, 1998, investments of \$1,560,307 are in the Louisiana Asset Management Fund, Inc. (LAMP). In accordance with GASB Codification Section 158.105, the investment in LAMP as July 31, 1998 is not categorized in the three risk categories provided by GASB Codification Section 158.104 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1995. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by these securities. The dollar weighted average portfolio maturity of LAMP assets is approximately 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

As July 31, 1998, the District also had \$1,834,899 (amortized cost) in U.S. Treasury notes bearing interest rates ranging from 6% to 6.125%. These investments are held in an accrue fund which will be used to defund the District's 1999 accrue bonds on April 1, 1999. It is the intent of the District to hold these investments to maturity. As of July 31, 1998, all U.S. Treasury Note investments have a remaining maturity of one year or less and have a fair market value of \$1,819,332. In order to provide an indication of the level of risk assumed by the entity at year end, the investments in



**WATERBORNS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements  
Year Ended July 31, 1998

**NOTE F - INVESTMENTS - Continued**

United States Government Securities are Category 1. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name.

**NOTE G - CHANGES IN LONG-TERM DEBT**

The following is a summary of bond transactions for the year ended July 31, 1998:

	Revenue Bonds	All Values Tax Bonds	Total
Bonds payable, July 31, 1997	\$ 1,897,345	\$ 40,000	\$ 1,937,345
Bonds issued	1,395,000	-	1,395,000
Bonds retired	(86,450)	(30,000)	(116,450)
Bonds payable, July 31, 1998	\$ 2,205,895	\$ 10,000	\$ 2,215,895

Bonds payable at July 31, 1998 are comprised of the following individual issues:

**Revenue Bonds**

\$2,091,400 Waterworks Utility Revenue Refunding Bonds dated March 25, 1989 to be defrayed in one installment of \$2,091,400 on April 1, 1999, including interest, interest at 11% \$ 2,091,400

\$1,395,000 Waterworks Utility Revenue Refunding Bonds dated November 5, 1997 due in annual installments of \$100,000 to \$175,000, including interest, through April 1, 2006; interest at 8.75% to 7.00% \$ 1,395,000

**All Values Tax Bonds\***

\$100,000 public improvement bonds dated April 3, 1974 due in annual installments of \$20,000, including interest, through April 1, 1999; interest at 5% to 3.25% \$ 100,000

\* The all values tax bonds are secured by levy and collection of all valuerate taxes.

**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements  
Year Ended July 31, 1999

**NOTE 1 - CHANGES IN LONG-TERM DEBT - Continued**

The annual requirements to amortize all debt outstanding at July 31, 1999, including \$689,242 interest payments, are as follows:

	<u>Revenue Bonds</u>	<u>Ad Valorem Tax Bonds</u>	<u>Total</u>
1999	\$ 2,002,104	\$ 21,000	\$ 2,023,104
2000	243,000	-	243,000
2001	244,000	-	244,000
2002	243,115	-	243,115
2003	240,049	-	240,049
2004-2006	<u>508,115</u>	<u>-</u>	<u>508,115</u>
	<u>\$ 3,480,327</u>	<u>\$ 21,000</u>	<u>\$ 3,501,327</u>

During the year ended July 31, 1999, the District defaulted on 1974 revenue bonds by payment to Iberia National Bank of \$721,000 (including expenses) which defaulted \$84,112 of bonds outstanding. This delinquency was done by the District so as to allow a first mortgage on the revenues of the District to be taken by the Refunding Bonds (see above). The principal balance outstanding of these defaulted bonds at July 31, 1999 is \$5,800 which will be paid out August 1, 1999.

On November 3, 1997, the District issued \$1,593,000 of taxable revenue bonds for the purpose of refinancing the existing utility revenue Refunding Bonds dated April 6, 1991. On April 1, 1999, the District will default its 1997 revenue bonds with a principal payment of \$1,820,811 plus any outstanding interest. This payment will be made with restricted funds from its investments in US Treasury notes and its cash reserve account, and \$54,172 from its operating account.

**NOTE 2 - CONTRIBUTION FROM ASSUMPTION PARISH**

On June 20, 1988, the District entered into an agreement with the Parish of Assumption whereby, in order to allow for protection to the Parish and in order to provide adequate finances for the construction of the waterworks system, the Parish agreed to issue \$1,662,000 ad valorem tax bonds to acquire necessary facilities and equipment for the protection. Of this amount, \$955,000 was pledged to be used for the construction of the joint waterworks and fire protection system. The Parish agreed to pay to the District an annual rental of \$30 for each fire hydrant installed within the system. This agreement provides that the system be owned jointly by the Parish and the District. The undivided interest of the Parish in the system is 29.21813% and the undivided interest of the District in the system is 70.78187%. The District agreed to pay the Parish an annual rental of \$4,580 for the facilities of the Parish for a 99 year term beginning in August 1988.

**NOTE 3 - PENSION PLAN**

Substantially all employees of the Assumption Parish Waterworks District No. 1 are members of the Parochial Employees Retirement System of Louisiana (PERS), a non-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan B.

**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements  
Year Ended July 31, 1999

**NOTE 1 - PENSION PLAN - Continued**

All permanent employees working at least 28 hours per week who are paid weekly as in part time, part-time benefits and all elected parish officials are eligible to participate in the System. Under Plan B, employees who retire at or after the age of 55 with at least 30 years of creditable service are entitled to a retirement benefit payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$800 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at an early age (60), with the basic benefit reduced 3 percent for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above, and receive the benefit stated to their date of termination. The System also provides death and disability benefits. Benefits are established as provided by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Parishal Employee Retirement System, Post Office Box 14605, Baton Rouge, Louisiana 70803-4605, or by calling (224) 836-0344.

Under Plan B, members are required by state statute to contribute 2.0 percent of their annual covered salary in excess of \$1,500 and the Assumption Parish Waterworks District No. 1 is required to contribute at a rate which is determined annually. The current rate is 2.8 percent of annual covered payroll. Contributions to the System also include one-half of one percent (except Orleans and East Baton Rouge Parishes) of the basic salaries to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Assumption Parish Waterworks District No. 1 are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:800, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Assumption Parish Waterworks District's contributions to the System under Plan B for the years ending July 31, 1995, 1997 and 1999, were \$12,854, \$9,128, and \$5,007, respectively, equal to the required contributions for each year.

**NOTE 1 - POST-EMPLOYMENT HEALTH CARE BENEFITS**

In addition to the retirement benefits described in Note 1, the district provides post-employment health care benefits in accordance with the district's policy. The current district policy regarding the percentage which the district will pay is as follows:

The district will pay the percentage of the equivalent premium for three persons who are retiring at 55 years of age and have the following years of service time:

Years of Service	Waterworks/District	Beneficiary/Spouse
15-19	20	70
20-29	30	50
30+	50	25

**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Notes to Financial Statements  
Year Ended July 31, 1998

**NOTE D - PAST EMPLOYMENT HEALTH CARE BENEFITS - Continued**

The equivalent premium for the appropriate category will be set after renewal of insurance coverage each year and the retiree must pay the equivalent premium of the appropriate category in order to continue coverage as a retiree. For fiscal year ending July 31, 1998, the cost of the district's portion of the benefit was approximately \$4,000.

**NOTE E - DEFERRED-COMPENSATION PLAN**

Employees of the District may participate in the deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plan With Respect to Service For State and Local Governments).

The deferred compensation plan is available to all employees of the District. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by the Public Employees Benefit Services Corporation (PEBSCC), an independent entity. All assets of the plan are reported at fair market value and are administered by an independent entity. As part of its fiduciary role, the District has an obligation of due care in selecting the third party administrator.

The following is a summary of activity in the fund for the year ended July 31, 1998:

Asset balance at August 1, 1997	\$75,823
Deferral of compensation	11,259
Earnings	11,500
Withdrawals	(1,088)
Asset fees and others	<u>        658</u>
Asset balance at July 31, 1998	\$ 98,152

**NOTE F - ADDITIONAL BILLING AND COLLECTION**

The District has entered into formal contracts with the Assumption Parish Police Jury, the Village of Napoleonville and the St. Martin, Buck Martin, Arbonne, RDC Developers, Arbonne Sewerage District, Ridgeway Water and Cypress Village (collectively the District), as an agent, bills and collects for solid wastes services rendered by the Police Jury and the Village and the sewerage services rendered by the Village and the sewerage districts. The Police Jury pays the District 15 cents per solid waste bill issued and the Village of Napoleonville and St. Martin, Buck Martin, Arbonne, RDC Developers, Arbonne Sewerage District, Ridgeway Water and Cypress Village pay 2% of collections of charges to its residents.

**WATKINSVILLE DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

**Notes to Financial Statements  
Year Ended July 31, 1998**

**NOTE M - SELF INSURANCE HEALTH PROGRAM**

The District participates in a self-insurance health program for employees of the District and the Assumption Parish Police Jury. A third party administrator processes the claims and maintains records of the allowable costs, deductible costs, etc., with the activity of this program being reported to the District's Watersville System-expenses. The District and Police Jury share these expenses in proportion with the respective number of employees covered. Under the program, the District and Police Jury maintain a commercial insurance policy which pays all claims exceeding \$20,000 per year per person to \$1,000,000 per year. They also maintain an aggregate cap loss policy which will reimburse the program for period ended August 31, 1998.

**NOTE N - SUPPLEMENTAL CASH FLOWS DISCLOSURE**

During the year ended July 31, 1998, the corporation filed paid \$150,000 for interest expense on revenue bonds outstanding. No payments were paid for income taxes as the District is a component unit of the Assumption Parish Police Jury and governmental agencies are exempt from federal and Louisiana income taxes.

**NOTE O - COMMENTS REGARDING/ BOND RESOLUTION REQUIREMENTS**

Section 9 of the March 15, 1988, revenue bond resolution requires the District to provide revenues in each year sufficient to pay all reasonable and necessary expenses of operating and maintaining the Watersville System in each year, the principal and interest maturing on the bonds in each year, all reserves or sinking funds or other payments required for each year and all other obligations or indebtedness payable out of revenues of the System for each year, at least equal to 100% of the largest amount of principal maturing on the bonds in any future fiscal year.

As July 31, 1998, this requirement was met.

All other requirements of the bond resolutions have been met.

**NOTE P - LITIGATION**

As July 31, 1998, the district is involved in various litigation matters all of which are considered by management to be covered and within the limits of insurance coverage. In addition, management is not aware of any unasserted claims.

**SUPPLEMENTARY INFORMATION**

**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Schedule 1

**Operating Expenses - Waterworks System**

**Year Ended July 31, 1998**

**Waterworks System Expenses:**

**Purification and plant expenses:**

Salaries, plant personnel	\$ 302,087
Payroll Taxes	11,781
Communication	1,333
Chemicals and purification supplies	892,646
Disability insurance	1,878
Maintenance and repair of plant	43,003
Miscellaneous expenses	766
Other purification expenses	1,625
Retirement plan	4,003
Teletraining	1,583
Transportation expenses	1,174
Travel and education	4,782
Utilities	<u>121,188</u>

**Total purification and plant expenses**

1,978,906

**Distribution, operation and maintenance expenses:**

Salaries	174,008
Payroll Taxes	62,656
Communication	3,425
Disability insurance	3,827
Miscellaneous	3,147
Repairs and maintenance	62,779
Retirement plan	4,176
Service materials	48,827
Supplies and expenses, meter readers	3,912
Teletraining	4,748
Transportation expenses	17,179
Travel and education	9,960
Utilities	4,208
Water user fee	<u>28,756</u>

**Total distribution, operation and maintenance expenses**

378,117

**Total waterworks system expenses**

\$ 2,357,023

(Continued)

**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Schedule I

**Operating Expenses - Waterworks System - Continued**

**Year Ended July 31, 1998**

Office, general and administrative expenses	
Salaries	\$ 193,254
Stationery and office supplies	41,100
Collection expenses	8,228
Communication expenses	7,150
Payroll taxes	13,495
Disability insurance	3,489
Group insurance	121,880
Insurance	60,789
Rent of Public Burg, equity in systems	4,580
Rent, other	68
Professional services, legal and accounting	7,788
Professional services, engineering	31,000
Transportation expenses	1,850
Travel and education expenses	6,872
Fee charged to board members	3,840
Equipment plus	4,781
Other expenses	3,000
Uncollectible accounts	3,823
Uniform reimbursements	2,484
Unemployment compensation insurance	2,860
Maintenance of equipment	<u>7,618</u>
<b>Total office, general and administrative expenses</b>	<b><u>\$ 322,695</u></b>



**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Schedule 2

**Schedule of Revenues and Expenses - Waterworks System  
Budget and Actual**

Year Ended July 31, 1998

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Operating revenues:</b>			
Water sales	\$ 1,798,408	\$ 1,686,281	\$ (112,127)
Delinquent charges	56,000	53,375	2,625
Other water service charges	88,500	87,650	850
Solid waste, garbage, and average collection fees	<u>15,600</u>	<u>16,408</u>	<u>808</u>
<b>Total operating revenues</b>	<u>1,958,508</u>	<u>1,843,714</u>	<u>(114,794)</u>
<b>Operating expenses:</b>			
Salaries	\$17,800	\$19,064	1,264
Payroll taxes	18,000	17,618	382
Insurance	65,800	68,789	2,989
Group and disability insurance	386,000	352,271	33,729
Retirement plan	10,000	12,858	(2,858)
Fee dues paid to board members	8,000	8,840	(840)
Uniform reimbursements	1,200	1,484	(284)
Water use fee	25,000	25,704	(704)
Travel and education expenses	14,300	16,354	(1,654)
Substance abuse testing	700	184	516
Transportation expense	21,000	19,584	1,416
Sanitary and office supplies	48,000	61,122	(1,122)
Chemicals and purification supplies	112,000	183,848	7,154
Other purification expenses	1,500	1,625	(125)
Utilities	119,000	121,508	2,508
Unemployment compensation insurance	2,100	2,058	42
Supplies - water meters	1,500	1,912	(412)
Maintenance and repairs	10,000	10,394	394
Telephone	5,000	6,112	(1,112)
Service materials	29,500	48,817	(19,317)
Collection expenses	8,000	8,220	220
Communication expense	10,000	19,911	(9,911)
Rent expense	4,000	4,000	000
Professional services, engineering	14,000	11,800	2,200
Professional services, legal and accounting	8,000	7,700	300
Other expenses	8,000	9,679	(1,679)
Uncollectible accounts	2,800	1,822	(978)
Depreciation	<u>683,200</u>	<u>581,689</u>	<u>(101,511)</u>
<b>Total operating expenses</b>	<u>1,851,850</u>	<u>1,811,514</u>	<u>40,336</u>
<b>Operating income</b>	<u>106,658</u>	<u>32,200</u>	<u>74,458</u>

(Continued)

**WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA**

Schedule 2

**Schedule of Revenues and Expenses - Waterworks System  
Budget and Actual - Continued**

Year Ended July 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Manufacturing revenues:</b>			
Sale on disposal of equipment	5,500	7,375	1,875
Miscellaneous	1,800	1,800	(000)
Interest income	85,580	152,349	66,769
<b>Total manufacturing revenues</b>	<b>92,880</b>	<b>161,524</b>	<b>68,644</b>
<b>Manufacturing expenses:</b>			
Interest and amortization expense	209,680	201,386	(8,294)
Loss on investments	-	167	(167)
<b>Total manufacturing expenses</b>	<b>209,680</b>	<b>201,553</b>	<b>(8,127)</b>
<b>Net income (loss) excluding Ad Valorem     revenue</b>	<b>\$ 3,200</b>	<b>\$ 139,971</b>	<b>\$ 136,771</b>

WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA

Schedule D

Electricity Fund - Waterworks System  
Schedule of Changes in Assets Restricted for Revenue Bond Debt Service

Year Ended July 31, 1998

	Waterworks Utility Revenue Bond and Interest Sinking Fund	Waterworks Utility Revenue Bond Reserve Fund	Waterworks Utility Expansions and Contingency Fund	Waterworks Utility Bond and Interest Reserve Fund	Waterworks Utility Bond and Interest Reserve Fund	Waterworks Utility Bond and Interest Reserve Fund U.S. Treasury	Total
Cash & investments at beginning of year	89,046	118,006	120,074	-	-	-	319,126
Decrease in cash & investments							
Transfer from other accounts	150,451	12,421	12,421	876,118	-	-	861,411
Bond proceeds	-	-	-	1,386,008	-	-	1,386,008
Proceeds - sale of investments	-	-	-	78,008	-	-	78,008
Investments purchased	-	-	-	-	-	1,281,118	1,281,118
Interest earned	3,237	6,237	7,166	81,021	-	-	97,661
Total cash available	142,734	136,714	142,734	2,118,039	-	1,281,118	4,320,635
Decrease in cash & investments:							
Principal payments	98,470	-	-	88,176	-	-	186,646
Interest payments	150,000	-	-	-	-	-	150,000
Transfer to other accounts	17,743	6,237	-	-	-	-	24,000
Transfer - SSN	13	-	-	-	-	-	13
Investments purchased	-	-	-	1,086,118	-	-	1,086,118
Bond issue costs	-	-	-	29,667	-	-	29,667
Decrease in investments	-	-	-	-	-	85,178	85,178
Total decreases	156,246	6,237	-	2,149,001	-	85,178	2,417,662
Cash and investments at end of year	86,488	130,477	142,734	639	-	1,195,940	2,355,138

WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA

Schedule B

Metered Water Customers

July 31, 1998  
(Unaudited)

At July 31, 1998, the District had 9,101 metered customers as set forth in the District's annual reports.

WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ARLINGTON, STATE OF LOUISIANA

Schedule C

Board of Commissioners - Per Diem

Year Ended July 31, 1998

<u>Board Members</u>	<u>Number of Meetings</u>	<u>Per Diem</u>
David J. Mail	10	\$40
Clenton A. Joseph	10	\$40
Allied Temple	11	\$44
Herbert Adams	10	\$40
Forrest L. Bernard	15	\$60
Donna E. Robertson	15	\$60
Bryan Hayes	14	\$56
Crawford Landry	14	\$56
Lindley Napkin	14	\$56
Vincent Nelson	14	\$56
Myron Blalock	14	\$56
		<u>\$ 600</u>

**INDEPENDENT AUDITOR'S REPORT AND OTHER SCHEDULES  
REQUIRED BY GOVERNMENT ACCOUNTING STANDARDS**

WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA

Schedule B

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended July 31, 1998

**A. Summary of Audit Results**

- The auditor's report expresses an unqualified opinion on the general-purpose financial statements of the Waterworks District No. 1 of the Parish of Assumption, State of Louisiana.
- There were no reportable conditions in internal control disclosed during the audit of the general purpose financial statements, which were required to be reported in the Report on Compliance and on Internal Control over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards.
- The results of our tests disclosed no instances of non-compliance material to the general purpose financial statements which were required to be reported in the Report On Compliance And Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards.

WATERWORKS DISTRICT NO. 1 OF THE  
PARISH OF ASSUMPTION, STATE OF LOUISIANA

Schedule 7

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Year Ended July 31, 1999

**INTERNAL CONTROL FINDINGS**

No Internal Control findings were noted in the audit for the period ended July 31, 1997.

**COMPLIANCE FINDINGS**

No Compliance findings were noted in the audit for the year ended July 31, 1999.



# WAGUESPACK & ASSOCIATES

(A Professional Accounting Corporation)

CERTIFIED PUBLIC ACCOUNTANTS

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

The Board of Commissioners  
Waterworks District No. 1 of the Parish  
of Assumption, State of Louisiana  
Natchitoches, Louisiana

We have audited the financial statements of the Waterworks District No. 1 of the Parish of Assumption, State of Louisiana (the District), a component unit of the Assumption Parish Police Jury, as of and for the year ended July 31, 1995, and have issued our report thereon dated October 9, 1995. 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, and *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Auditor and Louisiana Society of Certified Public Accountants.

### Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which 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 non-compliance that are required to be reported under *Government Auditing Standards*.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine the 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 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 to either not be 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.

This report is intended for the information of the management of the District's office, the Legislative Auditor and interested state and federal agencies. However, this report and matters of public record and its distribution is not limited.

*Wagunyah - Amcours (APAC)*

Halls Room, Louisiana

October 9, 1999