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CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
  
ANNUAL FINANCIAL REPORT  
  
YEAR ENDED DECEMBER 31, 1998

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

Release Date 7-14-99

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1998

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WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
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# DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

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## INDEPENDENT AUDITORS' REPORT

Consolidated Waterworks District No. 13  
West Feliciana Parish Police Jury  
St. Francisville, Louisiana

We have audited the accompanying general-purpose financial statements of

### CONSOLIDATED WATERWORKS DISTRICT NO. 13 WEST FELICIANA PARISH ST. FRANCISVILLE, LOUISIANA

a component unit of West Feliciana Parish Police Jury, as of and for the year ended December 31, 1998. These financial statements are the responsibility of Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana'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 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 audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana as of December 31, 1998, and the results of its operations and cash flows 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 May 5, 1999 on our consideration of Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations and contracts.

# DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

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Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana. Such information, except for that portion 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 presented in all material respects in relation to the financial statements taken as a whole.

St. Francisville, Louisiana  
May 5, 1999

*Dyer & Vicknair*

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
PROPRIETARY FUND - ENTERPRISE FUND  
BALANCE SHEET  
DECEMBER 31, 1998

A S S E T S

CURRENT ASSETS

Cash	\$ 89,671
Investments	194,172
Receivables	
Accounts, net of allowance for uncollectibles of \$2,467	79,912
Intergovernmental	30,468
Prepaid insurance	<u>6,683</u>
<u>Total current assets</u>	<u>400,906</u>

RESTRICTED ASSETS

Cash	
Revenue bond and interest sinking account	11,960
Reserve account	6,350
Contingency account	6,574
Public improvement bond account	93,529
Construction	50,746
Investments	
Louisiana Asset Management Pool, Inc.	101,237
Receivables	
Ad valorem taxes	<u>14,065</u>
<u>Total restricted assets</u>	<u>284,461</u>

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	6,843,795
Less: depreciation to date	<u>2,141,510</u>
<u>Net property, plant and equipment</u>	<u>4,702,285</u>

<u>Total assets</u>	<u><u>5,387,652</u></u>
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The accompanying notes are an integral part of this statement.

<u>LIABILITIES AND FUND EQUITY</u>	
<u>CURRENT LIABILITIES (payable from current assets)</u>	
Accounts payable	\$ 73,898
Customers security deposits	<u>122,495</u>
<u>Total current liabilities (payable from current assets)</u>	<u>196,393</u>
<u>CURRENT LIABILITIES (payable from restricted assets)</u>	
General obligation bonds payable	36,331
Revenue bonds payable	25,644
Accrued interest payable	<u>22,314</u>
<u>Total current liabilities (payable from restricted assets)</u>	<u>84,289</u>
<u>LONG-TERM LIABILITIES</u>	
Compensated absences payable	2,125
General obligation bonds payable	861,000
Revenue bonds payable	<u>2,751,719</u>
<u>Total long-term liabilities</u>	<u>3,614,844</u>
<u>Total liabilities</u>	<u>3,895,526</u>
<u>FUND EQUITY</u>	
Contributed capital	
Government	939,250
Customers and developers	<u>177,500</u>
	1,116,750
Less: amortization to date	<u>465,600</u>
<u>Net contributed capital</u>	<u>651,150</u>
Retained earnings	
Reserved for revenue bond retirement	41,836
Reserved for general obligation bond retirement	162,877
Reserved for renewal and replacement	31,092
Unreserved	<u>605,171</u>
<u>Total retained earnings</u>	<u>840,976</u>
<u>Total fund equity</u>	<u>1,492,126</u>
<u>Total liabilities and fund equity</u>	<u>5,387,652</u>

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
YEAR ENDED DECEMBER 31, 1998

<u>OPERATING REVENUES</u>	
Charges for sales	\$ 723,378
Delinquent charges	26,725
Connection charges	2,209
Meter installation	<u>21,054</u>
<u>Total operating revenues</u>	<u>773,366</u>
<u>OPERATING EXPENSES</u>	
Depreciation	186,138
All other	<u>480,039</u>
<u>Total operating expenses</u>	<u>666,177</u>
<u>Operating income</u>	<u>107,189</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>	
Interest revenue	18,881
Ad valorem taxes	103,408
Rural Economic Development grant	30,468
Miscellaneous	12,850
Interest expense	(214,176)
Uncollectible accounts	<u>(2,920)</u>
<u>Total nonoperating revenues (expenses)</u>	<u>(51,489)</u>
<u>NET INCOME</u>	55,700
Add depreciation on property and equipment acquired by grants externally restricted for capital acquisitions and construction	<u>23,981</u>
<u>NET INCOME BEFORE EXTRAORDINARY ITEM</u>	79,681
Loss on advance refunding	<u>(4,317)</u>
<u>NET INCOME AFTER EXTRAORDINARY ITEM</u>	75,364
<u>RETAINED EARNINGS, beginning</u>	<u>765,612</u>
<u>RETAINED EARNINGS, ending</u>	<u>840,976</u>

The accompanying notes are an integral part of this statement.



CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 1998

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	\$ 107,189
Operating income	
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	186,138
Uncollectible accounts	2,920
(Increase) decrease in	
Receivables	(165)
Intergovernmental accounts	(30,468)
Prepaid insurance	(926)
Taxes receivable	(89,994)
Increase (decrease) in	
Accounts payable	31,954
Customers security deposits	1,991
Compensated absences payable	(47,380)
Accrued interest payable	14,426
	<u>175,685</u>
<u>Net cash provided by operating activities</u>	<u>175,685</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	<u>103,408</u>
Ad valorem tax received	
<u>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES</u>	<u>(53,089)</u>
Purchase of plant, property and equipment	(53,089)
Principal paid on bond maturities	(284,527)
Interest paid on bond maturities	(71,018)
Issuance of bonds	211,000
	<u>(197,634)</u>
<u>Net cash provided (used) by capital and financing activities</u>	<u>(197,634)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	<u>(28,598)</u>
Purchase of investments	(28,598)
Interest on investments	18,881
	<u>(9,717)</u>
<u>Net cash provided (used) by investing activities</u>	<u>(9,717)</u>
<u>NET INCREASE IN CASH</u>	<u>71,742</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>187,088</u>
<u>CASH AT END OF YEAR</u>	<u>258,830</u>

The accompanying notes are an integral part of this statement.

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
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PROPRIETARY FUND - ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1998

INTRODUCTION

The Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana, was created by the West Feliciana Parish Police Jury under Louisiana Revised Statute 33:7702. The District is governed by the West Feliciana Parish Police Jury. The District was created to provide water resources to residents within the District.

Note #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying general-purpose financial statements of Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana 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.

B. Reporting Entity

As the governing authority of the parish, for reporting purposes, the West Feliciana Parish Police Jury is the financial reporting entity for West Feliciana Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organization 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 No. 14 established criteria for determining which component units should be considered part of West Feliciana Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and (a) the ability of the police jury to impose its will on that organization and/or

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(b) 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 fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Because the police jury meets criteria (1) above, the Consolidated Waterworks District No. 13 is determined to be a component unit of West Feliciana Parish Police Jury, financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Consolidated Waterworks District No. 13 and do not present information on the Police Jury, the general government services provided by the Police Jury, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Enterprise Fund uses the accrual basis of

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
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accounting. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. The Enterprise Fund uses the following practices in recording certain revenues:

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed and become due on November 15 of each year and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest income is recorded when earned.

E. Budgets and Budgetary Accounting

A budget is adopted on a basis consistent with generally accepted accounting principles.

F. Cash and Cash Equivalents and Investments

Cash includes amounts in interest-bearing demand deposits. For purposes of the statement of cash flows, the District considers all time deposits and investments (including restricted assets) with original maturities of ninety days or less to be cash. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at amortized cost, which approximates market.

G. Receivables

Substantially all amounts presented are expected to be collected within one year.

Uncollectible receivables are recognized as bad debts through the maintenance of an allowance account. All amounts known to be uncollectible have been charged off.

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WEST FELICIANA PARISH  
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DECEMBER 31, 1998  
(Continued)

H. Prepaid Insurance

Payments made for insurance coverage that will benefit periods beyond December 31, 1998, are recorded as prepaid insurance.

I. Restricted Assets

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

Certain proceeds of the general obligation bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "bond and interest sinking" account is used to segregate resources accumulated for debt service.

J. Property, plant and equipment

Property, plant and equipment are included on the balance sheet of the fund at actual historical costs. Depreciation of property, plant and equipment is charged as an expense against operations. Depreciation is computed using the straight-line method over an estimated useful life of 40 years for the distribution system, 5 years for equipment, and 3 years for vehicles.

K. Compensated Absences

Vested or accumulated vacation leave is recorded as a fund liability and operating expense in the year earned.

In accordance with the provisions of Statement of Financial Standard No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulated rights to receive sick pay benefits nor vacation leave.

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(Continued)

L. Long-Term Liabilities

Long-term liabilities are recognized within the Enterprise Fund.

M. Fund Equity

Contributed capital represents grants or contributions from governmental bodies, developers or customers. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such contributions. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

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

Note #2: CASH

At December 31, 1998, the district has cash (book balances) totaling \$258,830, which is interest-bearing demand deposits.

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

At December 31, 1998, the district has \$271,621 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$71,621 of pledged securities held by the custodial bank in the name of the fiscal agent (GASB Category 3).

Even though the pledged securities are considered uncollaterized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1998  
 (Continued)

Note #3: INVESTMENTS

Investments at December 31, 1998 are comprised of the Louisiana Asset Management Pool, Inc. which invests in United States government securities.

Investments are limited by law and the district's investment policies. The investments are secured from risk by the United States government, Category 1, in applying the credit risk of GASB Codification Section I50:164.

At December 31, 1998, the investments' amortized cost and market value is \$295,409.

Note #4: PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment follows:

Land	\$ 34,133
Distribution system	6,671,708
Furniture and fixtures	3,144
Equipment	55,478
Vehicles	77,221
Leasehold improvements	2,112
	<u>6,843,796</u>
Less: depreciation to date	<u>2,141,510</u>
<u>Net</u>	<u>4,270,285</u>

Depreciation expense for the year charged to operations is \$186,138.

Note #5: BONDS PAYABLE

Bonds payable at December 31, 1998 are comprised of the following:

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General Obligation Bonds

<p>\$903,351 Refunding Bonds dated April 6, 1989, for the purpose of prepaying and refunding outstanding Public Improvement Bonds, dated June 7, 1977; \$13,331 due April 1, 1999 with interest at 11% per annum, secured by an annual ad valorem tax levy.</p>	<p>\$ 13,311</p>
<p>\$925,000 Refunding Bonds dated January 22, 1998, for the purpose of prepaying \$821,925 of outstanding General Obligation Refunding Bond, dated April 9, 1989; due in annual installments of \$10,000 - \$99,000 through April 1, 2017, with interest at 7.20% secured by an annual ad valorem tax levy.</p>	<p>\$ 884,020</p>

Revenue Bonds

<p>\$240,465 Refunding Bonds dated April 6, 1989, for the purpose of prepaying and refunding two (2) outstanding Water Revenue Bonds dated June 7, 1977, and August 18, 1987; due April 1, 1999 with interest at 11% per annum.</p>	<p>3,644</p>
<p>\$2,600,000 Revenue Bond dated March 20, 1997, for the purpose of improving and extending the waterworks system; due in annual installments of \$12,254 through 2037 with interest at 5%.</p>	<p>2,562,719</p>
<p>\$211,000 Refunding Bonds, Series 1999, dated April 1, 1999, for the purpose of prepaying and refunding \$219,480 of outstanding Revenue Refunding Bond, dated April 6, 1989, due in annual installments of \$7,000 - \$24,000 through April 1, 2011, with interest at 5.05% - 6.10% per annum.</p>	<p><u>211,000</u></p>

<u>Total bonded debt</u>	<u><u>3,764,694</u></u>
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The annual requirements to amortize all bond debt outstanding at December 31, 1998, including interest payments of \$3,717,049, are as follows:



CONSOLIDATED WATERWORKS DISTRICT NO. 13  
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PROPRIETARY FUND - ENTERPRISE FUND  
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(Continued)

<u>Year Ended December 31,</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
1999	\$ 99,884	\$ 172,338	\$ 272,222
2000	100,552	176,551	277,103
2001	100,528	181,842	282,370
2002	101,252	176,062	277,314
2003	100,760	177,267	278,027
Thereafter	<u>929,113</u>	<u>5,075,594</u>	<u>6,004,707</u>
<u>Totals</u>	<u>1,432,089</u>	<u>5,959,654</u>	<u>7,391,743</u>

A summary of changes in the bonds payable follows:

	<u>Balance January 1, 1998</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 1998</u>
General Obligation bonds	\$ 950,319		\$ 52,988	\$ 897,331
Revenue bonds	<u>2,807,069</u>	<u>\$ 211,000</u>	<u>240,706</u>	<u>2,777,363</u>
	<u>3,757,388</u>	<u>211,000</u>	<u>293,694</u>	<u>3,674,694</u>

In 1999, the Water District issued \$211,000 in revenue bonds to advance refund \$215,836 of revenue bonds. The refunding was undertaken to reduce total debt service payments over the next 17 years by \$250,306 and to obtain an economic gain (difference between the net present value of the debt service payments of the refunded and refunding bonds) of \$89,142.

For financial statement purposes, the advance refunding resulted in a loss (difference between the reacquisition price and the net carrying amount of the extinguished debt) of \$4,317. This loss has been reported as an extraordinary item in the financial statements.

Note #6: CONTRIBUTED CAPITAL

The changes in contributed capital for the year ended December 31, 1998, follow:

Balance, January 1, 1998	\$675,130
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(Continued)

Less depreciation on property and equipment acquired by grants externally restricted for capital acquisitions and construction	<u>23,981</u>
Balance, December 31, 1998	<u>651,149</u>

Note #7: FLOW OF FUNDS: RESTRICTION OF USE

Under the terms of the bond indenture on outstanding Water Revenue bonds, certain income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from the operation of the waterworks system, is dedicated to the retirement of said bonds, and are to be set aside into the following special accounts after provision has been made for the payment therefrom the reasonable and necessary expenses of operating and maintaining the system.

Revenue Bonds, Series 1999

A monthly deposit into the "Bond and Interest Sinking" account in an amount equal to 1/12 of the principal and 1/6 of the interest falling due on the next payment date for the bonds.

A monthly deposit into the "Reserve" account equal to 5% of the payments to the "Bond and Interest Sinking" account until such time as there has been accumulated therein a sum equal to the highest combined principal and interest requirements for any year on bonds payable from the "Sinking" account. Monies in the "Reserve" account will be used solely for the purpose of paying principal of and interest on such bonds as to which there would otherwise be a default.

A monthly deposit into the "Contingency" account equal to 5% of the payments to the "Bond and Interest Sinking" account for the purpose of caring for depreciation, extension, additions, improvements and replacements necessary to properly operate the waterworks system. Such account may also be used for the purpose of payment of bonds for which there is not sufficient money in the "Bond and Interest Sinking" account or "Reserve" account.

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(Continued)

Revenue Bonds, Series 1997

A monthly deposit into the "Sinking" account in the amount of \$12,558.

A monthly deposit into the "Reserve" account in the amount of \$628. This sum must be deposited monthly into this account until \$150,696 has been accumulated therein. Monies in the "Reserve" account will be used solely for the purpose of paying principal and interest on such bonds as to which there would otherwise be a default.

A monthly deposit into the "Contingency" account in the amount of \$692 for the purpose of caring for extensions, additions, improvements and replacements necessary to properly operate the Waterworks System. Such account may also be used for the purpose of payment of bonds for which there is not enough money in the "Sinking" account or "Reserve" account.

Under the terms of the bond indenture on outstanding General Obligation bonds, ad valorem tax revenues are dedicated to the retirement of said bonds, and are to be set aside into the following special account in the following manner:

A monthly deposit into the "Bond and Interest Sinking" account in an amount equal to 1/12 of the principal and 1/6 of the interest falling due on the next payment date for the bonds.

Note #8: PENSION PLAN

All employees of the District are members of the Parochial Employees' Retirement System of Louisiana (System), a multiple-employee (cost-sharing), public employee retirement system (PERS) controlled and 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 belong to Plan B.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 62 with at least 10 years of creditable service or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
PROPRIETARY FUND - ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1998  
(Continued)

2 percent of their final-average salary in excess of \$100 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 or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62. In any case, monthly retirement benefits paid under Plan B cannot exceed the lesser of 100 percent of final-average salary or \$70 multiplied by total years of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce 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 accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by same statute.

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B, based proportionately on the salaries of the active members of each plan. State statutes require covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer 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.

In addition to the employee contribution withheld at 2% of monthly salary in excess of \$100 per month, the District contributes 1.0% of gross salary to the System. Contributions to the System during 1998 were funded through employee and employer contributions of \$6,968 and \$3,043, respectively. The total 1998 payroll of the District was \$149,135 and its 1998 payroll covered by the System was \$131,238. Under present statutes, the District does not guarantee the benefits granted by the System.

Note #9: COMPENSATED ABSENCES

At December 31, 1998, employees of the District have accumulated and vested \$2,125 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
PROPRIETARY FUND - ENTERPRISE FUND  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1998  
(Continued)

Note #10: RELATED PARTY TRANSACTIONS

The following transactions occurred between the District and the West Feliciana Parish Police Jury during 1997:

The District paid \$2,400 to the Police Jury for rent of office space, which is leased on a monthly basis. Also, the District paid \$33,000 to the Police Jury for administrative expenses provided for the District.

Note #11: POLICE JURORS' COMPENSATION

The District is operated under the authority of the West Feliciana Parish Police Jury. The Jury members did not receive compensation from the District.

SUPPLEMENTAL INFORMATION

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF OPERATING EXPENSES  
YEAR ENDED DECEMBER 31, 1998

Administrative	\$ 33,000
Computer	6,830
Depreciation	186,138
Dues and registrations	3,764
Employee travel	259
Insurance - general	24,669
Insurance - health	11,503
Office rent	2,400
Office supplies	2,123
Payroll taxes	16,045
Postage	6,171
Professional services	11,516
Public Works Director	8,989
Repairs and maintenance	109,817
Retirement	3,490
Salaries	150,345
Telephone	2,883
Utilities	64,812
Vehicle operation	13,068
Water purchased	5,864
All other	<u>2,491</u>
<u>Total</u>	<u>666,177</u>

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULES OF REVENUES AND EXPENSES  
YEARS ENDED DECEMBER 31, 1998 AND 1997

	YEAR ENDED DECEMBER 31,	
	<u>1998</u>	<u>1997</u>
<u>OPERATING REVENUES</u>		
Charges for sales	\$ 723,378	\$ 630,249
Delinquent charges	26,725	23,454
Connection charges	2,209	1,740
Meter installation	21,054	22,635
	<u>773,366</u>	<u>678,077</u>
<u>OPERATING EXPENSES</u>		
Administrative	33,000	33,000
Computer	6,830	6,045
Depreciation	186,138	170,567
Dues and registrations	3,764	3,649
Employee travel	259	323
Insurance - general	24,669	22,796
Insurance - health	11,503	9,189
Office rent	2,400	2,400
Office supplies	2,123	1,237
Parish manager	0	4,844
Payroll taxes	16,045	11,966
Postage	6,171	6,278
Professional services	11,516	12,153
Public Works Director	8,989	
Repairs and maintenance	109,817	50,306
Retirement	3,490	2,930
Salaries	150,345	175,284
Self-insurance claim	0	1,087
Telephone	2,883	1,971
Utilities	64,812	69,826
Vehicle operation	13,068	4,052
Water purchased	5,864	7,197
All other	2,491	2,383
	<u>666,177</u>	<u>599,483</u>
<u>Total operating expenses</u>		
	<u>107,189</u>	<u>78,594</u>
<u>Operating income (loss)</u>		
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest revenue	18,881	18,379
Ad valorem taxes	103,408	104,467
Rural Economic Development grant	30,468	
Miscellaneous revenue	12,850	475
Interest expense	(214,176)	(214,827)
Uncollectible accounts	(2,920)	(1,391)
	<u>(51,489)</u>	<u>(92,897)</u>
<u>Total nonoperating revenues (expenses)</u>		

(Continued)



CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULES OF REVENUES AND EXPENSES  
YEARS ENDED DECEMBER 31, 1998 AND 1997  
(Continued)

	YEAR ENDED DECEMBER 31,	
	1998	1997
<u>NET INCOME (LOSS)</u>	\$ 55,700	\$ (14,303)
Add depreciation on property and equipment acquired by grants externally restricted for capital acquisitions and construction	23,981	23,981
<u>NET INCOME BEFORE EXTRAORDINARY ITEM</u>	79,681	9,678
Loss on advance refunding	(4,317)	(90,749)
<u>NET INCOME (LOSS) AFTER EXTRAORDINARY ITEM</u>	75,364	(81,071)

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENSES -  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED DECEMBER 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>OPERATING REVENUES</u>			
Charges for sales	\$ 730,000	\$ 723,378	\$ 6,622
Delinquent charges	27,500	26,725	775
Connection charges	1,600	2,209	(609)
Meter installation	21,000	21,054	(54)
	<u>780,100</u>	<u>773,366</u>	<u>6,734</u>
<u>OPERATING EXPENSES</u>			
Administrative	33,000	33,000	0
Computer	7,000	6,830	170
Depreciation	190,000	186,138	3,862
Dues and registration	3,000	3,764	(764)
Employee travel	225	259	(34)
Insurance - general	26,500	24,669	1,831
Insurance - health	11,500	11,503	(3)
Office rent	2,400	2,400	0
Office supplies	2,200	2,123	77
Payroll taxes	16,225	16,045	180
Postage	6,300	6,171	129
Professional services	15,500	11,517	3,983
Public Works Director	9,000	8,989	11
Repairs and maintenance	123,000	109,817	13,183
Retirement	3,550	3,489	61
Salaries	151,700	150,345	1,355
Telephone	2,900	2,883	17
Utilities	70,000	64,812	5,188
Vehicle operation	17,000	13,068	3,932
Water purchased	6,150	5,864	286
All other	2,500	2,491	9
	<u>699,650</u>	<u>666,177</u>	<u>33,473</u>
<u>Operating income</u>	<u>80,450</u>	<u>107,189</u>	<u>26,739</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest revenue	20,000	18,881	(1,119)
Ad valorem taxes	103,410	103,408	(2)
Rural Economic Dev. grant	50,000	30,468	(19,532)
Miscellaneous revenue	10,685	12,850	2,165
Interest expense	(213,000)	(214,176)	(1,176)
Uncollectible accounts	(1,750)	(2,920)	1,170
	<u>(30,655)</u>	<u>(51,489)</u>	<u>(20,834)</u>

(Continued)

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF REVENUES AND EXPENSES -  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED DECEMBER 31, 1998  
 (Continued)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>NET INCOME (LOSS)</u>	\$ 49,795	\$ 55,700	\$ 5,905
Add depreciation on property and equipment acquired by grants externally restricted for capital acquisitions and construction	23,981	23,981	0
<u>NET INCOME BEFORE EXTRAORDINARY ITEM</u>	73,776	79,681	5,905
Loss on advance refunding	0	(4,317)	(4,317)
<u>NET INCOME AFTER EXTRAORDINARY ITEM</u>	73,776	75,364	1,588

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT  
YEAR ENDED DECEMBER 31, 1998

	ASSETS			BALANCE DECEMBER 31, 1998
	BALANCE JANUARY 1, 1998	ADDITIONS	DEDUCTIONS	
Land	\$ 34,133			\$ 34,133
Distribution system	6,635,307	\$ 36,401		6,671,708
Furniture and fixtures	3,143			3,143
Equipment	38,790	16,688		55,478
Vehicles	77,221			77,221
Leasehold improvements	2,112			2,112
Construction in progress	0			0
<u>Totals</u>	<u>6,790,706</u>	<u>53,089</u>	<u></u>	<u>6,843,795</u>

LIFE IN YEARS	ACCUMULATED DEPRECIATION			NET BOOK VALUE	
	BALANCE JANUARY 1, 1998	ADDITIONS	DEDUCTIONS		BALANCE DECEMBER 31, 1998
	\$ 0			\$ 0	\$ 34,133
20 - 40	1,861,291	\$ 170,987		2,032,278	4,639,430
3	3,143			3,143	0
5	29,334	6,563		35,897	19,581
3 - 8	59,912	8,379		68,291	8,930
10	1,690	211		1,901	211
	0			0	0
	<u>1,955,370</u>	<u>186,140</u>	<u>\$ 0</u>	<u>2,141,510</u>	<u>4,702,285</u>

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF BONDS PAYABLE  
DECEMBER 31, 1998

	<u>INTEREST</u>		<u>ISSUE DATE</u>
	<u>RATES</u>	<u>PAYMENT DATE</u>	
<u>GENERAL OBLIGATION BONDS</u>			
Refunding, 1989 Series	11.00%	4/1;10/1	04-09-89
Refunding, 1997 Series	7.25%	4/1;10/1	12-10-97
<u>REVENUE BONDS</u>			
Refunding, 1989 Series	11.00%	4/1;10/1	04-06-89
Water Bonds, 1997 Series	5.00%	Monthly	03-20-97
Refunding, 1999 Series		4/1;10/1	04-01-99
<u>Totals</u>			

<u>MATURITY DATE</u>	<u>BONDS</u>			
	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
04-01-1999	\$ 903,351	\$ 903,351	\$ 890,020	\$ 13,331
04-01-2013	925,000	925,000	41,000	884,000
04-01-1999	240,465	240,465	236,821	3,644
03-20-2037	2,600,000	2,600,000	37,281	2,562,719
04-01-2011	<u>211,000</u>	<u>211,000</u>	<u>0</u>	<u>211,000</u>
	<u>4,879,816</u>	<u>4,879,816</u>	<u>1,205,122</u>	<u>3,674,694</u>

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF INSURANCE IN FORCE  
DECEMBER 31, 1998  
(Unaudited)

<u>COVERAGE</u>	<u>INSURANCE COMPANY</u>
General liability	Coregis Insurance Company
Auto liability and physical damage	Coregis Insurance Company
Position Bond	Fidelity and Deposit Company
Inland Marine	Audubon Indemnity Company
Workers' Compensation	LA Parish Government Risk Management Agency



<u>EXPIRATION DATE</u>	<u>LIABILITY LIMITS</u>
04-25-99	\$1,000,000 per each occurrence \$3,000,000 aggregate
04-25-99	Actual cash value or cost of repair, whichever is less minus \$1000 deductible \$100,000 uninsured motorists \$1,000,000 liability each occurrence
08-02-99	\$200,000 president \$200,000 secretary/treasurer \$50,000 water superintendent \$20,000 clerical \$20,000 relief clerk
06-06-99	\$468,594 aggregate
01-01-99	\$1,000,000 each accident

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
BOND MATURITY SCHEDULE  
GENERAL OBLIGATION BONDS  
SERIES 1997  
DECEMBER 31, 1998

YEAR ENDING DECEMBER 31,	REQUIREMENTS TO RETIRE			BALANCE OF PRINCIPAL OUTSTANDING
	TOTAL REQUIREMENTS	INTEREST APRIL 1	INTEREST OCTOBER 1	
1998				\$884,000
1999	\$ 85,820	\$ 31,824	\$ 30,996	\$ 23,000
2000	100,552	30,996	29,556	40,000
2001	101,528	29,556	27,972	44,000
2002	101,252	27,972	26,280	47,000
2003	100,760	26,280	24,480	50,000
2004	101,060	24,480	22,536	54,000
2005	100,984	22,536	20,448	58,000
2006	101,628	20,448	18,180	63,000
2007	101,912	18,180	15,732	68,000
2008	101,836	15,732	13,104	73,000
2009	101,400	13,104	10,296	78,000
2010	102,532	10,296	7,236	85,000
2011	103,160	7,236	3,924	92,000
2012	103,284	3,924	360	99,000
2013	10,360	360		10,000
<u>Totals</u>	<u>1,432,088</u>	<u>282,924</u>	<u>265,164</u>	<u>884,000</u>

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
BOND MATURITY SCHEDULE  
GENERAL OBLIGATION BONDS,  
SERIES 1989  
DECEMBER 31, 1998

YEAR ENDING DECEMBER 31,	REQUIREMENTS TO RETIRE			BALANCE OF PRINCIPAL OUTSTANDING
	TOTAL REQUIREMENTS	INTEREST APRIL 1	INTEREST OCTOBER 1	
1998				\$ 13,331
1999	\$ 14,064	\$ 733	\$	\$13,331
<u>Totals</u>	<u>14,064</u>	<u>733</u>		<u>13,331</u>

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
BOND MATURITY SCHEDULE  
WATER REVENUE BONDS  
SERIES 1999  
DECEMBER 31, 1998

YEAR ENDING DECEMBER 31,	REQUIREMENTS TO RETIRE			PRINCIPAL APRIL 1	BALANCE OF PRINCIPAL OUTSTANDING
	TOTAL REQUIREMENTS	INTEREST APRIL 1	INTEREST OCTOBER 1		
1998					\$211,000
1999	\$ 5,927	\$ 0	\$ 5,927	\$ 0	211,000
2000	25,501	5,928	5,573	14,000	197,000
2001	25,758	5,574	5,184	15,000	182,000
2002	24,969	5,183	4,786	15,000	167,000
2003	26,113	4,786	4,327	17,000	150,000
2004	25,187	4,327	3,860	17,000	133,000
2005	25,216	3,866	3,356	18,000	115,000
2006	25,175	3,356	2,819	19,000	96,000
2007	26,040	2,819	2,221	21,000	75,000
2008	25,803	2,220	1,583	22,000	53,000
2009	24,516	1,582	934	22,000	31,000
2010	25,147	933	214	24,000	7,000
2011	7,213	213		7,000	
<b>Totals</b>	<b>292,565</b>	<b>40,781</b>	<b>40,784</b>	<b>211,000</b>	

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
SCHEDULE OF INFORMATION REQUIRED BY RURAL DEVELOPMENT  
YEAR ENDED DECEMBER 31, 1998

Item 1: The District's customers' accounts receivable at December 31, 1998 is comprised of:

<u>0-30 days</u>	<u>31+ days</u>	<u>Total</u>
<u>\$ 64,977</u>	<u>\$ 14,935</u>	<u>\$ 79,912</u>

Item 2: The District's water rates at December 31, 1998 are:

<u>Residential</u>	
0 - 2,000 gal	\$8.00 minimum
Over 2,000 gal	\$2.00/1000 gal
<u>Commercial</u>	
0 - 10,000 gal	\$30.90 minimum
Over 10,000 gal	\$ 2.00/1000 gal
<u>School</u>	
0 - 25,000 gal	\$50.00 minimum
Over 25,000 gal	\$ 2.00/1000 gal

Item 3: The number of residential and non-residential users at December 31, 1998 is 2,563 and 50, respectively.

Item 4: As explained under Note #11, in the Notes to the Financial Statements, the District is operated under the authority of the West Feliciana Parish Police Jury. The Jury members did not receive compensation from the District.

CONSOLIDATED WATERWORKS DISTRICT NO. 13  
WEST FELICIANA PARISH  
ST. FRANCISVILLE, LOUISIANA  
YEAR 2000 ISSUE  
DECEMBER 31, 1998  
(Unaudited)

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other quipment that may adversely affect the government's operations as early as fiscal 1999.

The District is conducting an inventory of computer systems and other equipment necessary to conducting the District's operations. The District is in the remediation stage in that an outside computer consultant has been hired to assist in the purchase from outside vendors, hardware and software believed to be year 2000 compliant for the financial reporting and billing systems. Testing and validation of the systems will need to be completed after the hardware and software are installed.

Because of the unprecedented nature of the year 2000 issue, its effects and the sucess of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be year 2000 ready, that the remediation efforts will be successful in whole or in part, or that parties with who the District does business will be year 2000 ready.

# DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

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ERIC J. VICKNAIR, CPA (APC)

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Consolidated Waterworks District No. 13  
West Feliciana Parish  
St. Francisville, Louisiana

We have audited the general purpose financial statements of Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana as of and for the year ended December 31, 1998, and have issued our report thereon dated May 5, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits as contained in Government Auditing Standards, issued by the Comptroller General of the United States.

## COMPLIANCE

As part of obtaining reasonable assurance about whether Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana's general purpose financial statements are free of material misstatement, we performed tests on its compliance with certain provisions of laws, regulations and contracts, 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 Consolidated Waterworks District No. 13, West Feliciana Parish, St. Francisville, Louisiana'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 to be material weaknesses.

**DYER & VICKNAIR**

(CERTIFIED PUBLIC ACCOUNTANTS)

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This report is intended for the use of management and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. By provision of state law, this report is a public document and it has been distributed to appropriate public officials.

There were no comments related to noncompliance or the internal control structure noted in the audit for the year ended December 31, 1997.

St. Francisville, Louisiana  
May 5, 1999

*Dyer & Vicknair*