

## D. L. Butler

CERTIFIED PUBLIC ACCOUNTANT  
111 FRENCH STREET, SUITE 804  
MONROE, LOUISIANA 71224

Member  
American Institute of CPAs  
Society of Certified CPAs

Telephone (504) 735-2288  
Fax (504) 735-2292

### **Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards**

BOARD OF COMMISSIONERS  
PINE HILL WATER WORKS DISTRICT NO. 8  
Cadeo Parish, Louisiana

I have audited the general purpose financial statements of Pine Hill Water Works District No. 8, as of July 31, 1997 and July 31, 1996, and for each of the years in the two year period then ended, and have issued my report thereon dated December 1, 1997.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Accountants and the Louisiana Legislative Auditor. These standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements.

Compliance with laws and regulations applicable to the Pine Hill Water Works District No. 8, is the responsibility of the district's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of Pine Hill Water Works District No. 8's compliance with certain provisions of laws and regulations. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the board of commissioners of Pine Hill Water Works District No. 8, management of the district, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

*D. L. Butler*

Monroe, Louisiana  
December 1, 1997

BOARD OF COMMISSIONERS  
PINE HILL WATER WORKS DISTRICT NO. 8  
Cade Parish, Louisiana  
Independent Auditor's Report  
on the Internal Control Structure, etc.

I rated the following matter involving the internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, would adversely affect the district's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

All accounting functions of the district, i.e., billing, depositing, and posting receipts and preparing, posting, and issuing checks are performed by one individual. However, because of the size of the district, it is not economically feasible to correct this deficiency.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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.

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

This report is intended for the information of the board of commissioners of Pine Hill Water Works District No. 8, management of the district, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public.

*D. Z. Acitler*

Shreveport, Louisiana  
December 1, 1997

## D. L. Butler

CERTIFIED PUBLIC ACCOUNTANT  
111 Plaquemine Street, Suite 104  
Baton Rouge, Louisiana 70802

Member  
American Institute of CPAs  
Council of Louisiana CPAs

Telephone (504) 984-6666  
Fax (504) 984-6666

### **Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards**

#### **BOARD OF COMMISSIONERS PINE HILL WATER WORKS DISTRICT NO. 8 Cade Parish, Louisiana**

I have audited the general purpose financial statements of the Pine Hill Water Works District No. 8, Cade Parish, Louisiana, as of July 31, 1997 and July 31, 1998, and for each of the years in the two year period then ended, and have issued my report thereon dated December 1, 1997.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Pine Hill Water Works District 8, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorizations and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of Pine Hill Water Works District No. 8, for the two years ended July 31, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

**Independent Auditor's Reports Required by  
Government Auditing Standards**

The following independent auditor's reports on internal control structure and compliance are prepared in compliance with the requirements of *Government Auditing Standards* (Standards for Audit of Governmental Organizations, Programs, Activities, and Functions), issued by the Comptroller General of the United States.

FINE HILL WATER WORKS DISTRICT NO. 8  
 CADDO PARISH, LOUISIANA

SCHEDULE OF BOARD MEMBERS AND PER DIEM PAID

July 31, 1997

Tom Dixon	President	<u>1597</u> \$788	<u>1896</u> \$1 -8-
	Vice-President	-0-	728
C. D. Clark	Vice-President	\$40	-0-
	Commissioner	-0-	660
Linda Charbono	Secretary	\$40	\$40
Gay Hamilton	Commissioner	788	-0-
	President	-0-	728
Gerald Kost	Commissioner	<u>848</u>	<u>728</u>
		<u>\$5,788</u>	<u>\$3,660</u>

PINE HILL WATER WORKS DISTRICT NO. 8  
 CALDOO PARISH, LOUISIANA

SCHEDULE OF WATER AND SERVICE CHARGES

July 31, 1997

Water Rates	05-31-2000-11-30	02-14-2007-11-30
First 2,000 gallons	\$8.50 -minimum charge	\$10.00 -minimum charge
Next 18,000 gallons	2.40/1,000	3.00/1,000
Next 38,000 gallons	3.00/1,000	3.50/1,000
Usage in excess of 58,000 gallons	5.00/1,000	5.00/1,000
<b>Other Services</b>		
Connection of new meter to system (Includes a refundable deposit of \$50)	\$325.00	\$325.00
Connection for new customer where meter is already connected to the system. (Includes a refundable deposit of \$50)	67.50	67.50
Reconnection of service disconnected due to failure to pay bill	20.00	20.00
NSF check fee	10.00	10.00

PINE HILL WATER WORKS DISTRICT NO. 8  
 CALDO PARISH, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

Year ended July 31, 1997

Insurer	Policy No.	Coverage	Period
Hartford	467084189649	Commercial Market Bond- \$125,000 - Employee dishonesty	07-14-97/03-16-98 (3 yr. bond, billed annually)
Hartford	CLP2290623	Auto and Casualty Loss- \$500,100, \$100 deductible, Comprehensive General Liability \$1,000,000, single limit per occurrence; \$500 deductible	06-04-97/06-04-98
LA Workers Compensation Fund	675	Worker's Compensation 1065806100	10-01-92/until cancelled
Hartford	CLP2290623	Flood & non-excess auto \$200,000	06-04-97/06-04-98

PINE HILL WATER WORKS DISTRICT NO. 8  
 CADDO PARISH, LOUISIANA

SCHEDULE OF CHANGES IN RESTRICTED ASSETS  
 July 31, 1997

	Bond and Interest Sinking Fund	Bond Reserve Fund	Replacement and Extension	Minor Disposals
Balance at August 1, 1995	\$22,720	\$22,299	\$19,800	\$4,000
Deposits FYE 7-31-96	—0-	—0-	—0-	331
Withdrawals FYE 7-31-96	—0-	—0-	—0-	—0-
Balance at July 31, 1996	22,720	22,299	19,800	5,000
Balance required at July 31, 1996	<u>22,135</u>	<u>22,299</u>	<u>20,200</u>	<u>4,800</u>
Excess deposited at July 31, 1996	\$ 585	\$ —0-	\$ —0-	\$ 200
Balance at August 1, 1996	\$22,720	\$22,299	\$19,800	\$5,000
Deposits FYE 7-31-97	—0-	—0-	2,195	300
Withdrawals FYE 7-31-97	—0-	—0-	—0-	—0-
Balance at July 31, 1997	22,720	22,299	22,000	5,300
Balance required at July 31, 1997	<u>22,558</u>	<u>22,299</u>	<u>22,000</u>	<u>4,000</u>
Excess deposited at July 31, 1997	\$ 162	\$ —0-	\$ —0-	\$ 130

SUPPLEMENTARY INFORMATION

PINE HILL WATER WORKS DISTRICT NO. 8  
CALCASIEU PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (continued)

**4. Compensated absences**

Pine Hill Water Works District No. 8 has no liability for compensated absences at July 31, 1997 and 1996.

**5. Cash and cash equivalents**

For purposes of the statement of cash flows, the district considers all cash and unrestricted investment instruments purchased with original maturities of three months or less to be cash equivalents. At July 31, 1997 and 1996, cash equivalents totaled \$61,651 and \$99,384.

**6. Meter deposits**

The district retains a deposit on each meter to assure prompt payments of monthly water bills. Cash refunds are made after the final bill. Under the laws governing the agencies of the Calcasieu Parish Commission, the district is required to hold 10% of the meter deposits in savings. The deposits totaled \$43,108 and \$48,600 at July 31, 1997 and 1996 respectively. Amounts held in savings was \$5,108 and \$5,090 at July 31, 1997 and 1996 respectively.

**7. Accounts receivable**

Accounts receivable are aged as follows:

	<u>1997</u>	<u>1996</u>
0-30 days	\$35,088	\$35,275
30-60 days	8,166	8,821
Over 60 days	4,884	1,751
	48,058	45,847
Less allowance for doubtful accounts	<u>&lt;3,790&gt;</u>	<u>&lt;3,447&gt;</u>
	<u>\$44,268</u>	<u>\$42,400</u>

**8. Litigation and claims**

At July 31, 1997, the district is not a defendant in any lawsuit and no judgments are pending. The district maintains commercial insurance coverage through a local agency to reduce the risk of loss resulting from property damage or liability claims. There were no significant reductions in insurance coverage during the two years ended July 31, 1997. There were no costs resulting from claims or judgments during the two years ended July 31, 1997.

PINE HILL WATER WORKS DISTRICT NO. 8  
CAJODO PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS(continued)

The bond agreement requires the district to maintain certain cash reserve funds. These funds consist of the bond and interest sinking fund, the bond reserve fund, and the replacement and extension fund. The bond and interest sinking fund is used to pay the current amortization of principal and interest. The bond reserve fund is a debt service reserve fund and the replacement and extension fund is used for payment of unusual repairs and maintenance as for the cost of improvements to the system. At July, 1997 and 1996 the balance in the restricted funds totaled \$67,815 and \$64,826. Interest earned on this amount is deposited to the operating bank account.

The annual requirements to amortize all bond debt outstanding at July 31, 1997 are as follows:

Year ending July 31	G.E. Capital		Year ending July 31	Principal	Interest
	Principal	Interest			
1998	14,000	8,558	2004	18,000	4,320
1999	15,000	7,020	2005	19,000	3,510
2000	15,000	7,245	2006	20,000	2,850
2001	16,000	6,578	2007	21,000	1,750
2002	17,000	5,854	2008	22,000	810
2003	17,000	5,880			
				<u>\$190,000</u>	<u>\$24,270</u>

**3. Cash deposits with financial institutions**

All bank balances of deposits for Pine Hill Water Works District No. 8 at balance sheet date 1997 and 1996 are insured by the Federal Deposit Insurance Corporation (FDIC) and the Federal Savings and Loan Insurance (FSLIC).

	1997	1996
<b>Regions Bank</b>		
Account 08-00946-38	\$ 6,341.05	\$ 6,681.71
CD 183-29083	0-	81,664.11
<b>Deposit Guaranty</b>		
101 3-879024	25,900.00	0-
<b>City Bank</b>		
Account 2-5384-7	27,290.99	27,875.43
Account 2-0779-0	8,789.53	8,513.18
CD 4816258	10,080.00	10,080.00
CD 4881003	3,993.53	3,993.53
<b>Minors Bank &amp; Trust</b>		
Account 5183380	63,322.57	61,453.27
	<u>\$205,265.57</u>	<u>\$209,785.64</u>

\*includes restricted cash

FINE HILL WATER WORKS DISTRICT NO. 8  
CAJODO PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (continued)

Because the commission appoints the governing body of the district and has the ability to impose its will on the district, the district was determined to be a component unit of the Cade Parish Commission, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the commission, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**C. FUND ACCOUNTING**

Fine Hill Water Works District No. 8 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 a 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. FIXED ASSETS AND LONG-TERM DEBT**

Fixed assets of the district are included on the balance sheet of the enterprise fund and are recorded at actual cost. Depreciation of all depreciable fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The useful lives of the assets are listed below:

Pipelines	50 years
Well and well equipment	50 years
Other equipment	10 years

**E. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**3. Long-term debt**

Long-term debt consists of 4 1/2% mortgage bonds collateralized by all property and the net revenue derived from the operations of the system. Interest is payable semiannually on January 1 and July 1 of each year. Principal payments are made annually in increasing amounts sufficient to retire the debt by July, 2008. The mortgage is guaranteed by the United States of America. The outstanding principal totals \$190,000 and \$203,000 at July 31, 1997 and 1998 respectively, with current maturities of \$13,000 for both 1997 and 1998. The amount of interest paid during 1997 and 1998 was \$9,135 and \$9,738 respectively.

FIVE HILL WATER WORKS DISTRICT NO. 8  
CALDO PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

---

**I. Summary of significant accounting policies**

Five Hill Water District No. 8 was created by the Caldo Parish Commission as authorized by Louisiana Revised Statute 33:3801 for the purpose of supplying safe drinking water to the population of the district. The district is governed by a five member board appointed by the commission to serve five year terms of office. The board members receive \$80 for each meeting that they attend.

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of Five Hill Water Works District No. 8 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 established governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Caldo Parish Commission is the financial reporting entity for Caldo Parish. The financial reporting entity consists of (a) primary government (the commission), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Caldo Parish Commission for financial reporting purposes. The basic criteria 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 commission to impose its will on the organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the commission.
2. Organizations for which the commission does not appoint a voting majority but are fiscally dependent on the commission.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

PINE HILL WATER WORKS DISTRICT NO. 1  
CALHOUN PARISH, LOUISIANA

STATEMENTS OF CASH FLOWS

For the years ended July 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<b>OPERATING ACTIVITIES</b>		
Net income (loss)	\$14,211	\$-28,797
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	28,783	18,268
Changes in operating assets and liabilities:		
Increase (decrease) in accounts receivable	-1,899	-9,818
Decrease (increase) in prepaid expenses	-1,037	-363
Increase (decrease) in notes deposits	500	1,640
Increase (decrease) in accounts payable and accrued expenses	-672	885
Net cash provided (required) by operating activities	<u>41,891</u>	<u>-2,195</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-97,820	589
Increase in restricted assets	<u>-2,162</u>	<u>-331</u>
Net cash provided (required) by investing activities	<u>-99,982</u>	<u>258</u>
<b>FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	<u>-13,880</u>	<u>-15,098</u>
Increase (decrease) in cash	<u>-51,243</u>	<u>-14,899</u>
Cash at beginning of year	<u>125,014</u>	<u>139,914</u>
Cash at end of year	<u>\$ 73,771</u>	<u>\$125,014</u>
Interest expense paid for the year	<u>\$ 3,135</u>	<u>\$ 3,578</u>

The accompanying notes are an integral part of these financial statements

FINE HILL WATER WORKS DISTRICT NO. 8  
 CADDOPARISH, LOUISIANA  
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES  
 IN RETAINED EARNINGS - INTERFUND FUND  
 For the years ended July 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<b>Operating Revenues:</b>		
Water sales	\$346,689	\$344,791
Connection fees	8,373	11,895
Reconnection fees	320	-
Late fees	<u>9,667</u>	<u>8,637</u>
Total operating revenue	364,949	364,803
<b>Operating Expenses:</b>		
Water purchases	\$122,451	163,997
Repairs and maintenance	29,078	28,414
Contract labor	19,039	17,583
Utilities	23,323	29,448
Depreciation	28,783	28,360
Water line installation	191	8,377
Well site and severance fees	16,210	16,790
Salaries	38,120	39,078
Insurance	8,394	4,523
Legal and accounting	3,240	6,924
Office	7,219	12,513
Building maintenance	1,570	-
Commissioner fees	3,780	3,680
Supplies	11,823	11,000
Taxes and licenses	3,889	2,919
Bad debts	6,772	3,141
Miscellaneous	<u>3,204</u>	<u>2,871</u>
Total operating expenses	<u>326,132</u>	<u>372,911</u>
Operating income (loss)	38,736	-8,108
<b>Non-Operating Revenues (Expense):</b>		
Interest income	6,291	8,795
Miscellaneous	736	239
Interest expense	-9,135	-9,720
Other expenses	<u>-4,525</u>	<u>-18,532</u>
Total non-operating revenues (expenses)	-4,525	-8,218
Net income (loss)	34,211	-28,327
Retained earnings, beginning	<u>147,827</u>	<u>771,484</u>
Retained earnings, ending	<u>\$177,038</u>	<u>\$743,157</u>

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

PINE HILL WATER WORKS DISTRICT NO. 8  
CADDO PARISH, LOUISIANA

BALANCE SHEETS

July 31, 1987 and July, 1986

	1987	1986
<b>LIABILITIES AND FUND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 7,498	\$ 7,563
Current maturities of long-term debt (Note 3)	<u>14,800</u>	<u>15,000</u>
Total current liabilities	21,498	22,563
<b>OTHER DEPOSITS (NOTE 4)</b>	48,100	48,680
<b>LONG-TERM DEBT, less current maturities (Note 3)</b>	<u>126,000</u>	<u>150,000</u>
Total liabilities	246,598	298,143
<b>FUND EQUITY</b>		
Contributed capital prior to operations	6,835	6,835
<b>Retained earnings</b>		
Reserved for general obligation bonds	44,430	44,430
Reserved for bond current debt service	22,550	22,738
Reserved for bond future debt service	22,135	22,135
Reserved for bond debt service contingency	19,805	19,889
Unreserved retained earnings	<u>268,118</u>	<u>253,732</u>
Total retained earnings	<u>375,038</u>	<u>363,027</u>
Total fund equity	<u>381,873</u>	<u>369,862</u>
Total liabilities and fund equity	<u>\$628,471</u>	<u>\$668,027</u>

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

PINE HILL WATER WORKS DISTRICT NO. 2  
CAJODO PARISH, LOUISIANA

BALANCE SHEETS

July 31, 1997 and July, 1996

	1997	1996
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash - unrestricted - including interest bearing deposits of \$73,641 and \$124,864	\$ 73,791	\$125,034
Accounts receivable	42,389	41,000
Prepaid expenses and deposits	4,126	3,299
Total current assets	120,306	169,333
<b>RESTRICTED ASSETS</b>		
Cash - bond and interest sinking fund	32,720	33,720
Cash - bond reserve fund	32,299	33,285
Cash - bond replacement and extension fund	32,808	19,885
Cash - rector deposits	4,978	5,080
Total restricted assets	102,805	91,970
<b>PROPERTY AND EQUIPMENT</b>		
Pipeline	376,452	376,452
Well and well equipment	325,579	317,280
Office equipment	129,081	131,895
Office building	74,334	-
Land	17,385	9,303
	932,799	834,930
Less accumulated depreciation	(486,921)	(458,138)
Total property and equipment	445,878	376,792
<b>OTHER ASSETS</b>	2,281	2,281
Total assets	\$610,421	\$638,027

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

BOARD OF COMMISSIONERS  
PINE HILL WATER WORKS DISTRICT NO. 8  
Cadeo Parish, Louisiana

In accordance with Government Auditing Standards, I have also issued reports dated December 1, 1997, on my consideration of Pine Hill Water Works District No. 8's internal control structure and on the district's compliance with laws and regulations.

*B. J. Butler*

Shreveport, Louisiana  
December 1, 1997  
ID #72-6648/804

## D. L. Butler

CERTIFIED PUBLIC ACCOUNTANT  
233 Florida Street, Suite 101  
Baton Rouge, Louisiana 70801

Member  
American Institute of CPAs  
Certified Public Accountant

Telephone (504) 383-4248  
Fax (504) 383-4249

### Independent Auditor's Report

BOARD OF COMMISSIONERS  
PINE HILL WATER WORKS DISTRICT NO. 8  
Cade Parish, Louisiana

I have audited the general purpose financial statements of Pine Hill Water Works District No. 8, a component unit of the Cade Parish Commission, as of July 31, 1997 and July 31, 1996, and for each of the years in the two-year period then ended. These general purpose financial statements are the responsibility of the district's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Pine Hill Water Works District No. 8, as of July 31, 1997 and 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion of the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of Pine Hill Water Works District No. 8. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

FIMS HILL WATER WORKS DISTRICT NO. 4  
Cade Parish, Louisiana

General Purpose Financial Statements  
With Independent Auditor's Report  
As of and for the Years Ended July 31, 1997 and 1996

C O N T E N T S

	Page No.
<b>Independent Auditor's Report</b>	<b>2</b>
<b>General Purpose Financial Statements:</b>	
Proprietary Fund Type - Enterprise Fund:	
Balance Sheet - By Years - July 31, 1997 and 1996	4
Statement of Revenue, Expense, and Changes in Retained Earnings - By Years - For the Years Ended July 31, 1997 and 1996	6
Statement of Cash Flows - By Years - For the Years Ended July 31, 1997 and 1996	7
Notes to the Financial Statements	8
<b>Supplemental Information:</b>	
Schedule of Changes in Restricted Assets	10
Schedule of Insurance in Force	13
Schedule of Water and Service Charge	14
Schedule of Board Members and Per Diem Paid	15
<b>Independent Auditor's Reports Required by Government Auditing Standards:</b>	
Report on Internal Control Structure Based on An Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	16
Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	18

OFFICIAL  
FILE COPY

502-116-033

**DO NOT SEND OUT**

These necessary  
copies from 1968  
were and **PLACE**  
back in 1968

THE HILL WATER WORKS DISTRICT NO. 9  
CADDOPARISH, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT WITH  
SUPPLEMENTAL INFORMATION SCHEDULES

Years ended July 31, 1967 and 1966

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

Release Date MAY 04 1969 J