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WATERBURY DISTRICT NO. 7 OF MERVILLE PARISH

REPORT ON ASSET OF COMPONENT UNIT FINANCIAL  
STATEMENTS

OCTOBER 31, 1992

ST. GARRAL, LOUISIANA

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

MAY 13 1993  
Released by PAUL A. LEGOTZKY  
Certified Public Accountant

WATERWORKS DISTRICT NO. 3 OF IRREVILLE PARISH  
REPORT ON AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS  
OCTOBER 31, 1997  
ST. GABRIEL, LOUISIANA

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**PATRICIA LEGO LEWIS, CPA**

**Accounting and Consulting Firm  
Notary Public**

204688-1000  
204688-1000  
February 1, 1994

File #001 801-0000  
P.O. Box 803  
Pineville, Louisiana 70002

March 15, 1994

**Independent Auditor's Report**

**Board of Commissioners  
Waterworks District No. 2  
of Iberville Parish  
St. Gabriel, Louisiana**

I have audited the accompanying component unit only financial statements of the Waterworks District No. 2 of Iberville Parish, Louisiana, a component unit of the Iberville Parish Police Jury, as of and for the years ended October 31, 1993 and 1992. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the 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 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. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the component unit financial statements referred to in paragraph one present fairly, in all material respects, the financial position of the Waterworks District No. 2 of Iberville Parish, Louisiana, as of October 31, 1993 and 1992 and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

Waterworks District No. 1  
of Iberville Parish

The audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The supplementary information and schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the component unit financial statements of the Waterworks District No. 1 of Iberville Parish, Louisiana. Most information, except for that portions marked "unaudited", on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the component unit financial statements, and, in my opinion, the information is fairly stated in all material respects in relation to the component unit financial statements taken as a whole.

*Patricia Leggett Lewis*  
Patricia Leggett Lewis, CPA  
Bossier Parish, LA 70764

Exhibit A

Waterworks District No. 2 of Iberville Parish

Balance Sheets

October 31, 1997 and 1996

ASSETS

	1997	1996
<b>Current Assets:</b>		
Cash and Cash Equivalents (Notes 10)	\$ 225,136	\$ 296,209
Accounts Receivable (Net of Allowances for Uncollectible Accounts of \$5,800 in 1997 and 1996, Respectively)	87,872	90,200
Prepaid Expenses	1,075	9,288
Other Receivables	2,497	23,788
<b>Total Current Assets</b>	<u>316,580</u>	<u>419,485</u>
<b>Restricted Assets:</b>		
Seed Sinking Funds - Cash and Cash Equivalents (Notes 6 and 10)	423,837	233,886
Seed Reserve Funds - Cash and Cash Equivalents (Notes 6 and 10)	24,384	23,308
Capital Additions and Contingencies Fund - Cash and Cash Equivalents (Notes 6 and 10)	48,807	66,340
Surplus Revenue Fund - Cash and Cash Equivalents (Notes 6 and 10)	7,897	7,500
Ad Valorem Tax Receivable (Note 3)	0	220,467
Customer Meter Deposits - Cash and Cash Equivalent (Notes 7 and 10)	16,883	16,430
<b>Total Restricted Assets</b>	<u>521,614</u>	<u>867,931</u>
Property, Plant, and Equipment, at Cost (Net of Accumulated Depreciation of \$1,882,393 in 1997 and \$1,776,807 in 1996) (Notes 1 and 3)	1,876,087	1,776,445
<b>Other Asset:</b>		
Unamortized Bond Expense (Net of Accumulated Amortization of \$81,383 in 1997 and \$16,183 in 1996) (Note 4)	37,877	62,177
<b>Total Assets</b>	<u>\$ 2,558,158</u>	<u>\$ 2,997,101</u>

The accompanying notes are an integral part of this statement.

Exhibit A  
(2022 Issues)

LIABILITIES AND FUND EQUITY

	2022	2021
Liabilities:		
Current Liabilities (Payable from Current Assets):		
Accounts Payable	\$ 37,184	\$ 38,923
Payroll Taxes Payable	1,093	1,091
Sales Taxes Payable	293	604
Accrued Unpaid Sick Pay (Note 1)	8,824	5,520
Total Current Liabilities (Payable from Current Assets)	<u>47,394</u>	<u>46,138</u>
Current Liabilities (Payable from Restricted Assets):		
Matured Bonds and Coupons	0	121,380
Accrued Interest Payable	6,873	6,308
Bonds Payable - Current Portion (Note 2)	138,800	150,800
Customer Meter Deposits (Note 3)	18,301	18,874
Total Current Liabilities (Payable from Restricted Assets)	<u>163,974</u>	<u>197,362</u>
Long-Term Liabilities:		
Bonds Payable (Net of Current Portion) (Note 2)	118,800	476,800
Total Liabilities	<u>730,168</u>	<u>843,800</u>
Fund Equity:		
Contributed Capital, Contributions in Aid of Construction	888,429	888,429
Retained Earnings:		
Reserved for Debt Service	174,735	221,964
Unreserved - Undesignated	769,625	1,849,181
Total Retained Earnings	<u>944,360</u>	<u>2,071,145</u>
Total Fund Equity	<u>1,832,789</u>	<u>2,949,574</u>
Total Liabilities and Fund Equity	<u>\$2,562,957</u>	<u>\$2,793,374</u>

## Waterworks District No. 3 of Sherbille Parish

Exhibit B

STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS

For the Years Ended October 31, 1997 and 1996

	1997	1996
Operating Revenues:		
Meter Sales	\$ 559,945	\$ 526,688
Penalty Charges	10,885	10,738
Service Charges	885	17,141
Water Line Leases	37,500	37,500
Total Operating Revenues	608,995	592,067
Operating Expenses - Schedule 1	595,636	596,150
Operating Income (Loss)	13,359	(10,073)
Nonoperating Revenues (Expenses):		
Ad Valorem Taxes	0	284,835
Interest Income	13,885	0,000
Road Interest Expense	(37,843)	(42,837)
Miscellaneous Income	218	132
Bad Debt Expense	(95,855)	-
Total Nonoperating Revenues	(119,265)	171,875
Net Income	(105,906)	161,802
Retained Earnings at Beginning of Year	1,370,345	1,108,448
Retained Earnings at End of Year	\$ 1,164,340	\$ 1,370,345

The accompanying notes are an integral part of this statement.

## Waterworks District No. 2 of Iberville Parish

STATEMENTS OF CHANGES IN RESERVED AND  
UNRESERVED RETAINED EARNINGS

For the Years October 31, 1997 and 1996

	Reserved For Debt Service	Unreserved And Undesignated	Total Retained Earnings
balances at October 31, 1995	\$ 11,000	\$1,897,435	\$1,908,445
Increases and Decreases:			
Net Income	-	161,800	161,800
Increase in Ad Valorem Tax Receivable	8,880	(8,880)	-
Increase in Bond Funds Payable from Bond Funds	236,636	(236,636)	-
Decrease in Current Liabilities Payable from Bond Funds	(132,432)	12,432	-
Net Increase (Decrease)	213,964	(170,284)	161,800
Balance at October 31, 1996	324,964	1,749,181	1,907,245
Increases and Decreases			
Net Income	-	(108,985)	(108,985)
Increase in Ad Valorem Tax Receivable	103,834	(103,834)	-
Increase in Bond Funds Payable from Bond Funds	63,637	(63,637)	-
Decrease in Current Liabilities Payable from Bond Funds	(112,800)	12,800	-
Net Increase (Decrease)	53,671	(159,656)	(108,985)
Balance at October 31, 1997	\$378,635	\$1,589,525	\$1,968,160

The accompanying notes are an integral part of this statement.

## Waterworks District No. 3 of Shreveville Parish

Exhibit C

## STATEMENTS OF CASH FLOWS

For the Years Ended October 31, 1997 and 1996

	1997	1996
Cash Flows from Operating Activities:		
Operating Income (Loss)	13,359	\$ (10,971)
Adjustments to reconcile operating loss to Net Cash Provided by (Used in) Operating Activities:		
Amortization	5,180	5,180
Depreciation	165,788	165,943
Provision for Bad Debts	1,982	6880
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(7,983)	(28,187)
(Increase) Decrease in Prepaid Expense	1,393	(1,388)
(Increase) Decrease in Other Receivables	6,292	782
Increase (Decrease) in Accounts Payable	2,261	1,522
Increase (Decrease) in Payroll Taxes Payable and Sales Tax Payable	3	166
Increase (Decrease) in Customer Water Deposits	1,328	1,643
Net Cash Provided by (Used in) Operating Activities	197,641	75,000
Cash Flows from Noncapital Financing Activities:		
Miscellaneous Income	208	132
Net Cash Provided by Noncapital Financing Activities	208	132

(CONTINUED)

Waterworks District No. 2 of Iberville Parish

STATEMENTS OF CASH FLOWS (CONTINUED)

For the Years Ended October 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Cash Flows From Capital and Related Financing Activities:		
(Increase) Decrease in Ad Valorem Tax Receivable	\$ 230,887	\$ 15,851
Increase (Decrease) in Matured Bonds and Coupons	21,392	-
Increase (Decrease) in Accrued Interest Payable	264	(1,422)
Bond Principal Reduction	(188,028)	(181,000)
Ad Valorem Tax Reversions	-	218,184
Interest Income	12,712	8,125
Interest Paid on Bonds	(37,442)	(41,859)
Provision for Bad Debt	(81,084)	-
(Increase) Decrease in Accounts Receivable	15,000	-
Net Cash Used in Capital and Related Financing Activities	(8,341)	(12,211)
Cash Flows From Investing Activities:		
Interest Income	364	1,239
Increase in Fixed Asset	(2,398)	-
Net Cash Provided by Investing Activities	(2,034)	1,239
Net Increase in Cash and Cash Equivalents	(10,375)	(10,972)
Cash and Cash Equivalents - Beginning of Year	822,726	538,594
Cash and Cash Equivalents - End of Year	\$ 812,351	\$ 527,622

The accompanying notes are an integral part of this statement.

Waterworks District No. 3 of Iberville Parish

NOTES TO FINANCIAL STATEMENTS  
October 31, and 1997 and 1996

(ii) Summary of Significant Accounting Policies -

The Waterworks District No. 3 of Iberville Parish (the District) was incorporated under the provision of Act R.S. 13:8811 seq. The District operates under a Board of Commissioners form of government.

The accounting and reporting policies of the District conform to generally accepted accounting principles applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guide set forth in the Issuery audit guide, Audits of State and Local Governmental Unit. The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Water District's Board of Commissioners. Control by or dependence on the Board was determined on the basis of budget adoption, taxing authority, authority to incur debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, the Waterworks District No. 3 of Iberville Parish is a component unit of the Iberville Parish Police Jury. The accompanying financial statements only include the financial information of this component unit of the Iberville Parish Police Jury and no other accounting.

B. Fund Accounting

The Water District has only one fund to which all accounts are assigned and accounted for as a single entity. This fund is operated as an Enterprise Fund.

Enterprise Fund - an Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability.

Waterworks District No. 3 of Iberville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1996

or other purposes.

C. Fixed Assets and Long-Term Liabilities

The enterprise fund is accounted for on a cost of services or "capital maintenance" measurement basis. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity is included on its balance sheet. The reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Enterprise fund type operating statement present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all depreciable fixed assets used by the enterprise fund is charged as an expense against its operations. Accumulated depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Building		25 Years
Water System	5 -	15 Years
Wells and Storage Tanks		25 Years
Water Meters		15 Years
Furniture and Fixtures	3 -	10 Years

All fixed assets are stated at historical costs.

D. Basis of Accounting

Assets, liabilities, retained earnings, revenues, and expenses are recognized on the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. Ad valorem taxes are recorded as revenues when levied and billed even though a portion of the taxes may be collected in subsequent years.

E. Budget and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected on the supplementary schedule comparing budget to actual:

1. The manager of the district prepares a proposed budget and submits it to the Board of Commissioners.

Waterworks District No. 3 of Iberville Parish

NOTE TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1996

2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of a public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted.
5. Budgetary amendments involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.
6. All budgetary appropriations lapse at the end of each fiscal year.

F. Cash and Cash Equivalents

For purposes of reporting cash flows, the District considers certificates of deposit, Treasury bills, and Money Market Accounts with a maturity of three months or less, to be cash equivalents.

G. Bad Debts

Uncollectible amounts due for ad valorem taxes and customers utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

H. Accumulated Unpaid Sick Pay and Accrued Unpaid Vacation

Employees of the district may accumulate a maximum of 45 days of accrued unpaid sick pay. Employees of the district may accrue vacation time, however it can not be accumulated from year to year.

(2) Ad Valorem Taxes -

Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the district in October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1, of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

Waterworks District No. 3 of Iberville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1996

The Iberville Parish Sheriff's Office bills and collects the property taxes using the assessed values determined by the Tax Assessor of Iberville Parish.

For the year ended October 31, 1996, taxes of 1.86 mills and 7.48 mills were levied on property with assessed value-taxes totaling \$51,241,468 and was dedicated to debt reduction. Millies were not levied for the year ended October 31, 1997.

	1997	1996
Current Taxes Receivable:		
Total Taxes Levied	\$ 0	\$ 177,864
Less: Pension Fund Expenses	0	(9,932)
Allowance for		
Uncollected Taxes	(46,642)	650
Net Current Taxes to collect	<u>58,662</u>	<u>172,482</u>
Less: Taxes Collected by the Iberville Parish Sheriff and Remitted to the District During the Current Fiscal Year. Adjustments for Uncollected Taxes	172,426	193,439
	<u>1230,487</u>	<u>(20,749)</u>
Prior Year Taxes Receivable:		
Balance at October 31, 1996	230,487	233,434
Total Ad Valorem Taxes Receivable Net of Allowance for Uncollected Taxes of 19,819 in 1996	\$ 0	\$ 230,487
	*****	*****

Waterworks District No. 2 of Escrowville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1996

(3) Property, Plant, and Equipment -

A summary of property, plant, and equipment at October 31, 1997 and 1996, is as follows:

	1997	1996
Land	\$ 8,887	\$ 8,887
Buildings	111,486	111,486
Water Meters	12,839	12,839
Furniture and Fixtures	8,788	8,788
Water Distribution System	1,184,314	1,184,314
Water Treatment Plant	1,287,088	1,287,088
Water Mains	232,568	232,568
Elevated Tanks	48,221	48,221
Ground Level Storage Tanks	146,192	146,192
Water Lines	463,719	463,719
-Total	3,857,450	3,857,450
Less: Accumulated Depreciation	(1,882,161)	(1,774,407)
Net Property, Plant and Equipment	\$1,975,289	\$1,773,443

(4) Amortization of the Cost of Issuance of Bonds -

The cost of the issuance of the 1990 General Obligation Bonds of \$14,574 is being amortized over the life of the bonds. The unamortized balances at October 31, 1997 and 1996, were \$11,742 and \$12,412 respectively.

Waterworks District No. 2 of Des Moines Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1996

The cost of insurance of the 1993 General Obligation Refunding Bonds of \$58,915 is being amortized over the life of the bonds. The unamortized balances at October 31, 1997 and 1996 were \$15,240 and \$17,541 respectively.

(6) Changes in Long-Term Debt -

The following is a summary of bond transactions of the District for the years ended October 31, 1997 and 1996:

	General Obligation
Bonds Pay- able at October 31, 1996	\$ 787,800
Bonds Re- quired During Year	161,800
Bonds Pay- able at October 31, 1996	626,000
Bonds Re- quired During Year	150,800
Bonds Pay- able at October 31, 1997	\$ 476,000 *****

Waterworks District No. 2 Eberville Basin

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1987 and 1988

General Obligation Bonds:

\$500,000 General Obligation Bonds dated August 1, 1983; due in annual installments ranging from \$1,250 to \$150,000 from March 1, 1983, to March 1, 2016; interest at 8.10% to 9.50% payable semi-annually.

\$428,000

\$118,000 General Obligation Refunding Bonds dated September 1, 1983; due in annual installments ranging from \$8,000 to \$100,000 from March 1, 1984, to March 1, 2002; interest at 8.00% to 9.0% payable semi-annually. Refunded Bonds represent \$118,000 of the Outstanding General Obligation Bonds dated August 1, 1984 which were to mature serially on March 1st of the years 1984 through 2002.

37,000

Total General Obligation Bonds Outstanding \$465,000

A schedule of the outstanding General Obligation Bonds and the interest and principal requirements by dates is as follows:

Metairie District No. 3 of Iberville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1996

Due Date	1996 MONIES		1997 MONIES		
	Principal	Interest	Principal	Interest	Total
3/31/1998	150,000	18,925	0,000	000	150,725
6/31/1998	-	18,500	-	000	18,500
9/31/1998	140,000	18,800	0,000	000	158,800
12/31/1998	-	5,778	-	000	5,778
3/31/2000	150,000	7,778	0,000	000	157,778
6/31/2000	-	078	-	000	078
9/31/2000	1,000	078	0,000	000	1,078
12/31/2000	-	000	-	100	100
3/31/2001	1,000	000	0,000	100	1,100
6/31/2001	-	000	-	100	100
9/31/2001	1,000	000	0,000	100	1,100
12/31/2001	-	000	-	100	100
3/31/2002	1,000	000	0,000	100	1,100
6/31/2002	-	000	-	100	100
9/31/2002	1,000	000	0,000	100	1,100
12/31/2002	-	000	-	100	100
3/31/2003	1,000	000	0,000	100	1,100
6/31/2003	-	000	-	100	100
9/31/2003	1,000	000	0,000	100	1,100
12/31/2003	-	000	-	100	100
3/31/2004	1,000	000	0,000	100	1,100
6/31/2004	-	000	-	100	100
9/31/2004	1,000	000	0,000	100	1,100
12/31/2004	-	000	-	100	100
3/31/2005	1,000	000	0,000	100	1,100
6/31/2005	-	000	-	100	100
9/31/2005	1,000	000	0,000	100	1,100
12/31/2005	-	000	-	100	100
3/31/2006	1,000	000	0,000	100	1,100
6/31/2006	-	000	-	100	100
9/31/2006	1,000	000	0,000	100	1,100
12/31/2006	-	000	-	100	100
3/31/2007	1,000	000	0,000	100	1,100
6/31/2007	-	000	-	100	100
9/31/2007	1,000	000	0,000	100	1,100
12/31/2007	-	000	-	100	100
3/31/2008	1,000	000	0,000	100	1,100
6/31/2008	-	000	-	100	100
9/31/2008	1,000	000	0,000	100	1,100
12/31/2008	-	000	-	100	100
3/31/2009	1,000	000	0,000	100	1,100
6/31/2009	-	000	-	100	100
9/31/2009	1,000	000	0,000	100	1,100
12/31/2009	-	000	-	100	100
3/31/2010	1,000	000	0,000	100	1,100
6/31/2010	-	000	-	100	100
9/31/2010	1,000	000	0,000	100	1,100
12/31/2010	-	000	-	100	100
3/31/2011	1,000	000	0,000	100	1,100
6/31/2011	-	000	-	100	100
9/31/2011	1,000	000	0,000	100	1,100
12/31/2011	-	000	-	100	100
3/31/2012	1,000	000	0,000	100	1,100
6/31/2012	-	000	-	100	100
9/31/2012	1,000	000	0,000	100	1,100
12/31/2012	-	000	-	100	100
3/31/2013	1,000	000	0,000	100	1,100
6/31/2013	-	000	-	100	100
9/31/2013	1,000	000	0,000	100	1,100
12/31/2013	-	000	-	100	100
3/31/2014	1,000	000	0,000	100	1,100
6/31/2014	-	000	-	100	100
9/31/2014	1,000	000	0,000	100	1,100
12/31/2014	-	000	-	100	100
3/31/2015	1,000	000	0,000	100	1,100

Waterworks District No. 2 of Iberville Parish  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
October 31, 1997 and 1996

Total General Obligation Bonds	\$419,000	\$ 96,449	\$ 37,000	\$ 4,149	\$ 556,598
	*****	*****	*****	*****	*****

Total principal and interest requirements for subsequent fiscal years of all Bonds outstanding at October 31, 1998 are as follows:

Year Ending October 31,	General Obligation Total
1998	\$ 164,913
Thereafter	371,689
	\$ 536,602
	*****

The breakdown of total bond principal outstanding at October 31, 1997 and 1996 between current and long-term is as follows:

	1997	1996
Total Bonds Outstanding at October 31, 1997 and 1996:		
General Obligation	\$ 476,000	\$ 426,000
	<u>476,000</u>	<u>426,000</u>
Less Current Portion (Due within one Year):		
General Obligation	138,000	180,000
	<u>138,000</u>	<u>180,000</u>
	\$ 338,000	\$ 246,000
	*****	*****

Waterworks District No. 2 of Iberville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1996

(6) Restricted Assets-

A. Bond Sinking Funds

1. Ad Valorem Bonds

The accounts are funded through assessment of ad valorem taxes of sufficient amounts to meet interest and principal payments.

2. Revenue Bonds

The Revenue Bond Resolution, Section 2, adopted July, 1964, provides for the establishment and maintenance of a Revenue Bond Sinking Fund sufficient in amount to pay promptly and fully the principal of and the interest on the bonds herein authorized, including any additional pari passu bonds issued hereafter in the manner provided by this resolution as they severally become due and payable, by transferring from said "Waterworks System Fund" to Bank One of Baton Rouge, Louisiana, monthly in advance on or before the 10th day of each month of each year, commencing not later than September 30, 1967, a sum equal to one-eighth (1/8) of the interest falling due on the next interest payment date and also, commencing with the amount of September, 1967, a sum equal to one-twelfth (1/12) of the principal falling due on the next principal and interest as the same respectively become due. The District shall cease to be transferred from said Revenue Bond Sinking Fund to the paying agent bank for all bonds payable from said fund, at least ten (10) days in advance for the date on which each payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and complied with the provisions of Section 2 of the Revenue Bonds Ordinance. The balance in this fund at October 31, 1997 was \$8215.

Waterworks District No. 2 of Iberville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1998

3. General Obligation Bonds

The bonds were issued for the purpose of constructing and acquiring improvements to the waterworks system of the District, to continue the existing waterworks services now being provided therein, including additions to the water treatment plant and enlargements of water storage facilities, together with all necessary facilities in connection therewith, title to which shall be in the Public.

The accounts are funded through assessment of ad valorem taxes of sufficient amounts to meet interest and principal payments.

On November 4, 1980, an election was held proposing a \$1,500,000 bond issue to be financed by various taxes. The electorate approved the bond issue; however, some local industries filed suit claiming tax exemptions. In January 1983, the Supreme Court ruled in favor of the District as no cause for action by the local industries. This was upheld by the lower courts and court of appeals. A request for another hearing was made. The Louisiana Supreme Court held that the industries may pay under protest taxes levied (just as any other taxpayer may pay taxes under protest) upon their property for payment on the debt service on the Bonds and litigate the question of whether they are exempt from such taxes at a future date. Judgment was made in favor of the District and a settlement was received for a total of \$289,840.

\$1,500,000 of General Obligation bonds were on August 1, 1988 and the balance, or 1800,000, were issued on August 1, 1990. \$289,840 aggregate principal amount of Outstanding General Obligation Bonds dated August 1, 1988 were called for redemption on September 1, 1993. Waterworks District No. 2 issued 1800,000 of General Obligation Refunding Series 1993.

4. Bond Reserve Funds

1. Ad Valorem Bonds  
None required

Waterworks District No. 3 of Sherbille Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1998

2. Revenue Bonds

The revenue bond resolution provides for the establishment and maintenance of a Revenue Bond Reserve Fund by transferring from said waterworks system Plant to Premier Bond of Baton Rouge, Louisiana, monthly in advance on or before the 15th of each month of each year, commencing not later than September 30, 1987, a sum at least equal to twenty percent (20%) of the amount required to be paid into the aforesaid Revenue Bond sinking fund provided for in paragraph (2) above, the payments into said Revenue Bond Reserve Bond Fund to continue until such time as there has been accumulated therein from any and all sources the sum of twenty Thousand Dollars (\$20,000), the money in said revenue Bonds Reserve Bond Reserve Fund to be retained solely for the purpose of paying the principal of and the interest on bonds payable from the aforesaid Revenue bond sinking fund as to which there would otherwise be default. The balance in this fund at October 31, 1997, was \$24,194.

3. General Obligation Bonds

None required.

C. Capital Additions and Contingencies Funds

1. Ad Valorem Bonds

None required.

2. Revenue Bonds

The revenue bond indenture requires the establishment and maintenance of a Capital Additions and Contingencies Fund to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the system, by transferring from said Waterworks System Fund to the regularly designated fiscal agent of the

Waterworks District No. 1 of Iberville Parish

NOTICE TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1998

District, monthly on or before the 30th day of each month of each year, a sum at least equal to five percent (5%) of the gross revenues of the system for the preceding month, provided that such sum is available after provision is made for the funds resolution. The payments into said Capital Additions and Contingencies Fund shall never be used for the making of extensions, additions, improvements, renewals and replacements to the system or for the payments, repairs and replacements to bonds if such use of said money will leave in said Capital Additions and Contingencies Fund for the making of emergency repairs or replacements less than the sum of twenty five hundred dollars (\$1,500). At October 31, 1997, the balance in this fund was \$48,807.

3. General Obligation Bonds

None required.

D. Surplus Reserve Funds

1. Ad Valorem Bonds

None required.

2. Revenue Bonds

The revenue bond indenture requires that any money in excess of One Thousand Dollars (\$1,000) shown by the hereinafter required annual audit to be remaining in said waterworks system fund at the close of each fiscal year after making the above required payments, shall be considered as surplus. One half (1/2) of such surplus shall be paid into the aforesaid Revenue Bond Reserve Fund until such time as there has been accumulated in said Revenue Bond Reserve Fund from any and all sources the sum of Twenty Thousand Dollars (\$20,000) and the other one-half (1/2) of such surplus shall be transferred to a separate bank account to be known as the "Surplus Revenue Fund" and to be established with the regularly designated fiscal agent of the District. After the aforesaid Twenty Thousand Dollars (\$20,000) has been accumulated in the Revenue Bond Reserve Fund,

Waterworks District No. 2 of Iberville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1996

All of said surplus shall be transferred to the above designated fund annually not later than thirty (30) days after the District has received the official audit required by Section 12 of the Revenue Bond Legislation. The funds in said Surplus Revenue Fund may be used by the Waterworks District for extensions, additions, improvements, repairs or replacements to the system or for the purchase and redemption of outstanding bonds. The balance in the fund at October 31, 1997, was \$6,460.

3. General Obligation Bonds  
None required

(7) Customer Meter Deposits -

Meter deposits are paid by customers upon application for water services and are returnable to them upon termination of service. The district maintains an interest-bearing account which is designated specifically for meter deposits. At October 31, 1997 and 1996, Customer Meter Deposits amounted to \$19,181 and \$18,074 while the balance in the interest-bearing account amounted to \$14,889 and \$15,438, respectively.

(8) Retirement Commitments-

The Waterworks District No. 2 participates in the Louisiana Public Employees Deferred Compensation Plan using payroll deductions. The plan administrator is Great West Life & Annuity Insurance Company.

(9) Contingencies and Commitments-

On May 6, 1996, the Board passed a motion accepting 3 proposals from Baton Rouge Meter Co. One proposal was for the purchase of water and the other proposal considered the operations and maintenance of the waterworks District No. 2 of Iberville Parish water plant and distribution lines.

Waterworks District No. 2 of Ibarville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1996

With the acceptance of the above proposals, the Board also passed a motion to proceed with plans to issue the remaining \$500,000 of the General Obligation bonds approved by the voters on November 4, 1980, for the construction of water distribution lines to connect the water lines of Baton Rouge Co. and the District. The bonds were issued in August, 1982. Construction cost were estimated to be \$500,000. Actual construction cost at completion was \$494,318 which included approximately \$10,000 for the purchase of new water meters. The Water Distribution lines were substantially completed as of October 1991.

The wholesale water supply contract with Baton Rouge Water Works Company shall be in effect for a period of twenty-five years and Baton Rouge Water Works Company agreed to supply the entire water supply requirements of the District, but not exceeding the lesser of 1,500 gallons delivered to the District through the point of metering. Beginning with the second anniversary of this contract and annually thereafter, the price per 1,000 gallons delivered will be adjusted by 7% of any proportionate change in the Consumer Price Index as published by the U. S. Department of Labor.

Baton Rouge Water Works Company began supplying water to the District in September 1981. For the year ended October 31, 1997 the District purchased 341,480,000 gallons of water from Baton Rouge Water Works Company at a total cost to the District of 383,979. For the year ended October 31, 1996, the District purchased 339,480,000 gallons of water from Baton Rouge Water Works Company at a total cost to the District of 328,761. In addition, Baton Rouge Water Works Company agrees to pay the District the sum of \$17,500 per year during the term of this agreement for the exclusive right to tap the connecting facilities between the point of delivery and the point of metering for the purpose of supplying customers of the Company.

The operations and maintenance agreement with Baton Rouge Water Works Company was amended to be in effect for a period of one hundred twenty months and Baton Rouge Water Works Company agrees to undertake the operation and routine maintenance covering the District's supply, treatment, transmission, distribution, storage and customer metering facilities. Specifically excluded costs are of maintaining or staffing an office for customer service at the existing District Office, all salaries and overhead costs associated with management and clerical

Waterworks District No. 3 of Iberville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1996

District, telephone service and other utilities for the operation of the District Office, property and workmen's compensation insurance, general and/or public liability insurance, fees of the commissioners, paying agent fees, debt service costs, and debt, advertising, legal and accounting fees or costs of the District, consulting or other professional fees furnished the District, and miscellaneous office, printing, and postage costs of the District not directly associated with billing. Likewise excluded from the scope of services furnished the District will be the cost of extraordinary maintenance and capital items. The District shall pay to the Company \$5.33 per active customer per month for the services provided by Baton Rouge Water Works Company in the operations and maintenance agreement. Beginning with the first anniversary of this contract and annually thereafter, the rate per active customer will be adjusted by 8% of any proportionate change in the Consumer Price Index as published by the U. S. Department of Labor.

The operations and maintenance agreement became effective beginning in September 1991. The district has incurred total costs for the years ended October 31, 1997 and 1996, of \$81,938 and \$83,585, respectively.

(10) Cash and Cash Equivalents-

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposits. Under state law the District may deposit funds within a fiscal agent bank organized under the laws of the state of Louisiana, any other state in the union, or under the laws of the United States. Further, the District may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and nation banks having principal offices in Louisiana.

As confirmed by the fiscal agent and other institutions, the District had cash and cash equivalents totaling \$788,769 at October 31, 1997. Cash and cash equivalents are stated at cost, which approximates market. These deposits must be secured under state law by federal deposit insurance or the pledge of securities plus the federal deposit insurance must at all times equal the amount on deposits with the bank. Any pledge securities are held in the name of the pledging bank in a collateral bank that is mutually acceptable to the parties involved. The following is a summary of cash and cash equivalents at October 31, 1997, with the related federal deposits insurance. The cash and cash equivalents at October 31, 1997, were secured as follows:

Waterworks District No. 3 of Iberville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 1997 and 1998

	Confirmed Bank Balance OCTOBER 31, 1997	Plus INSURANCE
Cash	\$566,749	\$566,749
Cash Equivalent - Time Certificates of Deposit	188,000	188,000
	<hr/>	<hr/>
Total	\$748,749	\$748,749
	<hr/>	<hr/>

(11) Major Customer -

Accounts receivable included amounts due from Ruston Correctional Institution of \$16,430 for the year ended October 31, 1997 and \$13,591 for the year ended October 31, 1998, which represents 16.14% and 14.67% of accounts receivable as those respective dates.

Net water sales to Ruston Correctional Institution were \$166,000 for the year ended October 31, 1997 and \$160,000 for the year ended October 31, 1998, which represents 28.67% and 30.38% of annual water sales for each respective year.

OTHER SUPPLEMENTARY INFORMATION

## Waterworks District No. 2 of Iberville Parish

## SCHEDULE OF OPERATING EXPENSES

For The Year Ended October 31, 1997 and 1996

	1997	1996
Water Purchases	\$283,879	\$268,741
Operating Agreement	81,938	81,965
Advertising	160	327
Amortization	5,108	5,108
Bad Debt	1,392	(698)
Bank Charges	201	121
Board Members Per Diem	3,800	3,800
Depreciation	106,788	105,715
Data and Subscriptions	245	284
Insurance	16,288	16,872
Legal and Accounting Fees	15,510	9,250
Miscellaneous Expenses	0	126
MP Expense	641	820
Office, Printing, and Postage Exp.	3,741	2,781
Physic Agent Fees	682	2,248
Payroll Tax Expenses	4,288	4,383
Repairs and Maintenance - Equipment	1,808	4,884
Salaries and Wages	51,433	48,871
Services Charges	14,164	28,104
Penalty Fund Expense		3,232
Telephone	3,288	3,870
Travel	807	1,126
Utilities	3,890	2,441
Total Operating Expenses	\$999,738	\$994,180

See Auditor's report.

## Waterworks District No. of Nacerville Parish

SCHEDULE OF CHANGES IN ACCOUNTS  
RESTRICTED FOR BOND DEBT SERVICE

For The Year Then Ended October 31, 1997

	<u>Sinking Fund</u>		
	Ad Valorem	Revenue	Total Sinking Fund
Balance at October 31, 1996	\$ 228,917	\$ 7,989	\$ 236,906
Cash Receipts:			
Ad Valorem Taxes	172,828	-	172,828
Interest Income	287	348	1,333
Transfers from General Funds	166,860	-	166,860
Total Cash Receipts	<u>340,075</u>	<u>348</u>	<u>340,318</u>
Cash Disbursements:			
Bond Principal	150,000	-	150,000
Bond Interest and Fees	42,828	-	42,828
Transfers to General Funds	187,809	-	187,809
Total Cash Disbursements	<u>380,637</u>	<u>-</u>	<u>380,637</u>
Balance at October 31, 1997	\$ 788,633	\$ 8,337	\$ 796,970

Continued

Waterworks District No. 2 of Asheville Parish

SCHEDULE OF CHANGES IN ASSETS  
RESTRICTED FOR BOND DEBT SERVICE

For The Year Then Ended October 31, 1997

Revenue Bond Reserve	Capital Additions And Contingencies	Surplus Revenue	Total All Bond Funds
\$ 23,360	\$ 44,343	\$ 7,028	\$73,731
-	-	-	173,028
1,084	3,364	338	4,919
-	-	-	284,860
<u>1,084</u>	<u>3,364</u>	<u>338</u>	<u>449,808</u>
-	-	-	380,800
-	-	-	42,458
-	-	-	387,358
<u>-</u>	<u>-</u>	<u>-</u>	<u>380,387</u>
\$ 24,444	\$ 48,507	\$ 7,097	\$79,728

See auditor's report.

## Waterworks Districts No. 2 of Iberville Parish

## SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

For The Year Ended October 31, 1997

Russell Sedillo	\$ 720
Michael Beames	720
Delores Jackson	720
Eugene LaBlanc	720
Wilbert Wilson	720
Total Board Member Fees Paid	\$3,600

See auditor's report.

## Waterworks District No. 2 of Greenville Parish

## SCHEDULE OF INSURANCE IN FORCE (UNAUDITED)

October 31, 1997

<u>Company</u>	<u>Coverage</u>	<u>Term</u>
Lafayette Ins. Co.	Property Schedule General Liability 1,000,000/2,000,000 Aggregate Crime \$10,000. Auto, Mixed Use & Non-Owned Auto	8/2/97 To 8/2/98
Lafayette Ins. Co.	Umbrella Liability \$1,000,000.	8/2/97 To 8/2/98
Homestead	Workers Compensation	8/2/97 To 8/2/98
Homestead	Employers Liability	8/2/97 To 8/2/98

See auditor's report.

## Schedule 2

## Waterworks District No. 2 of Iberville Parish

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended October 31, 1997

	BUDGET	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Water Sales	\$514,300	\$539,945	\$ 48,445
Penalty Charges	7,000	28,898	3,661
Water Line Lease	37,500	37,500	0
Service Charges	1,200	899	(301)
Total Operating Revenues	\$600,000	608,898	48,999
Operating Expenses:			
Water Purchases	265,880	282,979	(17,879)
Operating Agreement	87,000	81,818	5,662
Service Charge and Connections	0	24,164	(24,164)
Advertisement	300	168	132
Amortization/Depreciation	123,000	118,898	12,114
Bad Debt	4,300	1,302	3,818
Board Members Per Diem	3,000	3,000	0
Books & Subscriptions	750	345	0
Insurance	18,000	18,300	1,704
Fees-Professional	17,300	15,830	(3,330)
Miscellaneous Expenses	3,000	5,193	(2,193)
Payroll Tax Expenses	8,800	4,888	814
Repairs and Maintenance - Equipment	18,000	2,800	15,481
Retirement	4,400	0	4,400
Salaries/Wages/Retirement	40,000	81,813	(15,433)
Telephone/Utilities	4,300	4,358	(158)
Travel	1,400	987	413
Total Operating Exp.	\$257,790	\$288,638	154
Operating Income	\$342,290	\$320,259	\$48,148

See auditor's report.

Waterworks District No. 2 of Iberville Parish

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)

For the Year Ended October 31, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
Nonoperating Revenues (Expenses):			
All Valuers Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	13,606	13,606
Road Property Expense	0	(37,442)	(37,442)
Miscellaneous Income	-	228	228
Road Debt Expense	-	(95,855)	(95,855)
Total Nonoperating Revenues	0	119,264	119,264
Net Income	119,795	119,795	170,125
Retained Earnings at Beginning of Year	428,242	1,170,248	-
Retained Earnings at End of Year	\$548,037	\$1,289,043	\$ 770,889

See auditor's report.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
CONTROL STRUCTURE RELATED MATTERS NOTED  
IN A COMPONENT UNIT FINANCIAL STATEMENT  
AUDIT CONDUCTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

**PATRICIA LEGO LEWIS, CPA**

Accounting and Consulting Firm

Notary Public

204-487-4422  
4940 Four Lakes  
Baton Rouge, LA 70804

Notary Commission  
FD-36a (01)  
Baton Rouge, Louisiana 70801

March 15, 1998

Waterworks District No. 3  
of Iberville Parish  
St. Gabriel, Louisiana

I have audited the component unit financial statements of Waterworks District No. 3 of Iberville Parish, Louisiana, for the year ended October 31, 1997, and have issued the report thereon dated March 15, 1998.

I conducted the 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 financial statements are free of material misstatement.

In planning and performing the audit of the financial statements of the Waterworks District No. 3, of Iberville Parish for the year ended October 31, 1997, I considered its internal control structure in order to determine auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

The management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, initiative and judgement by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The obligations of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of 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 further periods is subject to the risk that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

- \* Cash
- \* Revenues, Receivables, and Receipts
- \* Expenditures for Goods and Services and Accounts Payable
- \* Payroll and Related Liabilities
- \* Property, Equipment and Capital Expenditures
- \* Debt and Debt Service Expenditures

For all of the control categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific 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. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

This report is intended solely for the use of management, and the Louisiana Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Board of Commissioners, is a matter of public record.

*Peter J. Legg Lewis*  
Peter J. Legg Lewis, CPA  
Bissegnoine, Louisiana

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH LAWS AND REGULATIONS BASED ON AN AUDIT  
OF COMPONENT UNIT FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS ISSUED BY THE GAO

**PATRICIA LEGO LEWIS, CPA**  
Accounting and Consulting Firm  
Newary Public

CPA0487-0007  
CPA's Fee Schedule  
Prepayment, 1/1/1984

File # 049426-0000  
P.O. Box #0  
Bossier Parish, Louisiana 70604

March 15, 1988

Board of Commissioners  
Waterworks District No. 2  
of Iberville Parish,  
St. Gabriel, Louisiana

I have audited the component unit financial statements of Waterworks District No. 2 of Iberville Parish, Louisiana, for the year ended October 31, 1987, and have issued the report thereon dated March 15, 1988.

I conducted the 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 financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Waterworks District No. 2 of Iberville Parish is the responsibility of the District's management. As part of the audit, I assessed the risk that noncompliance with certain provisions of laws, regulations, contracts, and grants could cause the financial statements to be materially misstated. I concluded that the risk of such material misstatement was sufficiently low that it was not necessary to perform tests of the District's compliance with such laws, regulations, contracts, and grants referred to in the preceding paragraph.

However, in connection with the audit, nothing came to my attention that caused me to believe that the District had not complied, in all material respects, with the laws, regulations, contracts, and grants referred to in the preceding paragraph.

This report is intended solely for the use of management, and the Louisiana Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Board of Commissioners, is a matter of public record.

*Patricia Lego Lewis*  
Patricia Lego Lewis, CPA  
Bossier Parish, Louisiana