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P.J. CABALLERO, CPA

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32570 GRAHAM STREET SUITE A

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A.C. 504 545-3192

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners of the
Parish of Ascension, Louisiana
Waterworks District No. 4

I have audited the accompanying general purpose component unit financial statements of the Parish of Ascension, Louisiana - Waterworks District No. 4, a component unit of the Parish of Ascension, Louisiana, as of and for the year ended August 31, 1997, as listed in the table of contents. These general purpose component unit financial statements are the responsibility of the Parish of Ascension, Louisiana - Waterworks District No. 4 management. My responsibility is to express an opinion on these general purpose component unit 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 component unit 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 component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose component unit financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose component unit financial statements referred to above present fairly, in all material respects, the financial position of the Parish of Ascension, Louisiana - Waterworks District No. 4 as of August 31, 1997, and the results of its operations and cash flows of its proprietary fund for the year then ended in conformity with generally accepted accounting principles.

It is my further opinion that the accounting requirements of the bond indenture, under which outstanding utility revenue bonds were issued, have been met.

My audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The accompanying financial information listed as schedules in the table of contents is presented

for purposes of additional analysis and is not a required part of the financial statements of the Parish of Ascension, Louisiana - Waterworks District No. 4. Such information, except for that portion 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, is fairly stated in all material respects in relation to the component unit financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated December 1, 1997 on our consideration of the Parish of Ascension, Louisiana - Waterworks District No. 4's internal control structure and a report dated December 1, 1997 on its compliance with laws and regulations.

The financial information for the preceding year, which is included for comparative purposes was taken from the financial report for the year in which I expressed an unqualified opinion on the component unit financial statements of the Parish of Ascension, Louisiana - Waterworks District No. 4.



White Castle, Louisiana
December 1, 1997

P.J. CABALLERO, CPA

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INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL STRUCTURE BASED
ON AN AUDIT OF GENERAL PURPOSE COMPONENT UNIT FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Commissioners of the Parish of Ascension, Louisiana -
Waterworks District No. 4

I have audited the general purpose component unit financial statements of the Parish of Ascension Louisiana Waterworks District No. 4, a component unit of the parish, for the year ended August 31, 1997 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 financial statements are free of material misstatement.

The management of Ascension Parish Waterworks District No. 4 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements 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 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 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 component unit financial statements of Ascension Parish Waterworks District No. 4 for the year ended August 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 control risk in order to determine our auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions 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 judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

As noted above, the size of the entity prohibits an adequate segregation of duties. Proper segregation of duties is an essential element in an internal control structure.

A material weakness is a reportable condition in which the design or operation 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 general purpose component unit 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 material weaknesses as defined above. However, the inadequate segregation of duties noted above is a material weakness.

Management's Response

Providing adequate segregation of duties is cost prohibitive given the size of this entity.

These conditions were considered in determining the nature, timing, and extent of the auditing tests to be applied in my audit of the 1996 financial statements. This report does not affect my report on the financial statements dated December 1, 1997.

I also noted other matters involving the internal control structure and its operation that I have reported to management of the District in a separate letter dated December 1, 1997.

PRIOR AUDIT FINDINGS

In my prior audit of the Parish of Ascension, Louisiana Waterworks District No. 4 I recommended that procedures be taken to assure compliance with Louisiana's Public Policy for Open Meetings. There was no documentation to support that notices of meetings were properly posted. In addition, the district kept poor minutes of meetings and were not able to provide minutes of meetings for January 1996 through August 1996.

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



White Castle, Louisiana
December 1, 1997

P.J. CABALLERO, CPA

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN
AUDIT OF GENERAL PURPOSE COMPONENT UNIT FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Commissioners of the Parish of Ascension, Louisiana -
Waterworks District No. 4

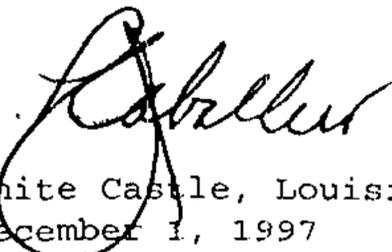
I have audited the general purpose component unit financial statements of the Parish of Ascension, Louisiana Waterworks District No. 4 for the year ended August 31, 1997 and have issued my report thereon dated December 1, 1997.

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 component unit financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Parish of Ascension, Louisiana - Waterworks District No. 4 is the responsibility of the District's management. As part of obtaining reliable assurance about whether the financial statements are free of material misstatement, I performed tests of the District's compliance with certain provisions of laws, regulations, and contracts. However, the objective of my audit of the component unit 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 indicate that with respect to the items tested, the Parish of Ascension, Louisiana - Waterworks District No. 4 complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the District had not complied, in all material respects, with those provisions.

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


White Castle, Louisiana
December 1, 1997

BALANCE SHEET

WATERWORKS DISTRICT NO. 4 OF THE PARISH OF ASCENSION, LOUISIANA

AUGUST 31, 1997 AND 1996

	-----AUGUST 31,-----	
	1997	1996
	----	----
ASSETS		
CURRENT ASSETS		
Cash (demand and time deposits)	\$ 6,619	\$ 4,630
Accounts receivable and accrued water sales (net of allowance for uncollectible accounts of \$1,800 in 1997 and \$1,800 in 1996)	14,067	14,957
Other receivables	0	0
Prepaid insurance	1,828	1,828
	-----	-----
	22,514	21,415
	-----	-----
RESTRICTED ASSETS - CASH (Note C)		
Revenue bond and interest sinking fund - cash (includes time deposits of \$5,109)	5,527	5,262
Due from operation account	4,252	4,252
Revenue bond reserve fund (savings deposits)	11,072	10,773
Replacement and extension fund (savings deposits)	7,319	7,121
Customers' meter deposits (demand and time deposits)	3,946	3,847
	-----	-----
	32,116	31,254
	-----	-----
FIXED ASSETS		
Plant and equipment (at cost, net of accumulated depreciation of \$86,907 for 1997 and \$83,033 for 1996)	68,089	71,503
	-----	-----
OTHER ASSETS		
Unamortized debt expense	1,062	1,207
	-----	-----
	\$ 123,781	\$ 125,379
	=====	=====

The accompanying notes are an integral part of this statement.

Continued . . .

	-----AUGUST 31,-----	
	1997	1996
	----	----
LIABILITIES AND RETAINED EARNINGS		
CURRENT LIABILITIES		
Payable from current assets:		
Accounts payable	\$ 9,909	\$ 3,217
Taxes payable	220	281
Due to revenue bond and interest account	4,252	4,252
	-----	-----
	14,381	7,750
	-----	-----
Payable from restricted assets:		
Bonds payable - September 1	0	0
Interest Coupons maturing September 1	0	0
Customers' meter deposits	4,130	3,235
	-----	-----
	4,130	3,235
	-----	-----
	18,511	10,985
	-----	-----
LONG-TERM LIABILITIES		
Revenue bonds payable (Note B)	66,000	70,000
Less: Amount currently due	0	0
	-----	-----
	66,000	70,000
	-----	-----
	84,511	80,985
	-----	-----
RETAINED EARNINGS		
Contributed capital:		
Customers	20,500	20,030
Federal Grant	46,000	46,000
	-----	-----
	66,500	66,030
	-----	-----
Accumulated deficit:		
Reserved for revenue bond and interest retirement	22,365	21,766
Reserved for replacements and extensions	7,319	7,121
Unreserved	(56,914)	(50,523)
	-----	-----
	(27,230)	(21,636)
	-----	-----
	39,270	44,394
	-----	-----
	\$ 123,781	\$ 125,379
	=====	=====

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
RETAINED EARNINGS - PROPRIETARY FUND TYPE

WATERWORKS DISTRICT NO. 4 OF THE PARISH OF ASCENSION, LOUISIANA
FOR THE YEARS ENDED AUGUST 31, 1997 AND 1996

	ENTERPRISE FUND	
	1997	1996
	-----	-----
OPERATING REVENUES		
Sale of water	\$ 89,145	\$ 89,609
Forfeited discounts	3,564	2,673
Service charges	428	272
	-----	-----
	93,137	92,554
	-----	-----
OPERATING EXPENSES (OTHER THAN DEPRECIATION)		
Cost of water	61,936	50,235
Management fees and service charges	13,602	12,923
Repairs and maintenance	4,553	7,090
Professional fees	2,918	3,155
Insurance expense	2,315	1,847
Commission fee	3,180	3,720
Uncollectible accounts	2,092	0
Water treating chemicals	507	418
Miscellaneous	256	453
	-----	-----
	91,359	79,841
	-----	-----
INCOME FROM OPERATIONS (BEFORE DEPRECIATION)	1,778	12,713
DEPRECIATION	3,875	3,863
	-----	-----
INCOME FROM OPERATIONS	(2,097)	8,850
	-----	-----
NONOPERATING REVENUES		
Interest earned	786	810
Other income	61	14
Bad debt recovery	0	398
	-----	-----
	847	1,222
	-----	-----
NONOPERATING EXPENSES		
Interest expense	4,200	4,440
Amortization of deferred debt expense	144	153
	-----	-----
	4,344	4,593
	-----	-----
NET INCOME (LOSS)	(5,594)	5,479
Retained earnings - beginning of year	(21,636)	(27,119)
	-----	-----
Retained earnings - end of year	\$ (27,230)	\$ (21,636)
	=====	=====

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE

WATERWORKS DISTRICT NO. 4 OF THE PARISH OF ASCENSION, LOUISIANA
FOR THE YEARS ENDED AUGUST 31, 1997 AND 1996

	-----AUGUST 31,-----	
	1997	1996
	----	----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ (5,594)	\$ 5,479
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	\$ 4,019	\$ 4,016
Provision for losses on accounts receivable	0	0
(Increase) decrease in accounts receivable	890	(4,456)
(Increase) decrease in other receivables	0	165
(Increase) decrease in prepaid expenses	0	(347)
Increase (decrease) in accounts payable	6,692	(180)
Increase (decrease) in taxes payable	(61)	11
Increase (decrease) in restricted liabilities	895	245
	-----	-----
Total adjustments	\$ 12,435	\$ (546)
Net cash provided by operating activities	\$ 6,841	\$ 4,933
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	\$ (461)	\$ 0
Net cash used in investing activities	\$ (461)	\$ 0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payment of long term debt	\$ (4,000)	\$ (4,000)
Capital contributed by customers	470	0
Net cash provided by financing activities	\$ (3,530)	\$ (4,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 2,850	\$ 933
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	31,631	30,698
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note A)	\$ 34,481	\$ 31,631
	=====	=====

The accompanying notes are an integral part of this statement.

WATERWORKS DISTRICT NO. 4 OF THE PARISH OF ASCENSION, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 1997

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

Fund structure

Water District No. 4 of the Parish of Ascension, Louisiana, a component unit of the parish, is a proprietary type fund, more specifically an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing water service to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of accounting

This proprietary fund is accounted for using the accrual basis of accounting, that is, revenues are recognized when earned and expenses are recognized when incurred. Unbilled charges for water service are included in accounts receivable at year end.

Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash flows include demand and time deposit accounts. On August 31, 1997 Waterworks District No. 4 of the Parish of Ascension, Louisiana had bank balances in one bank as follows:

	Balance	FDIC Insurance
Louisiana National Security Bank Donaldsonville, Louisiana	\$ 34,481	\$ 100,000

Restricted assets

Restricted assets on the balance sheet represent (1) amounts which are required to be maintained pursuant to the District's revenue bond resolution (bond interest and redemption, bond reserves, and reserves for contingency and improvements, see note (C) and (2) funds held for customer deposits.

Utility plant

Plant and equipment is stated at cost less accumulated depreciation. Depreciation is recorded on the straight-line method over an estimated useful life of 40 years.

NOTE A: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred debt expense

Amortization of deferred debt expense is recognized on the "bonds outstanding" method over the life of the bond issue.

Changes in contributed capital

Contributed capital increased by \$ 470 for the year ended August 31, 1997.

Retained earnings - deficit

The retained earnings deficit on the balance sheet on August 31, 1996 and August 31, 1997 was \$21,636 and \$27,115 respectively. The increase in the deficit was primarily due to an increase in water loss and the purchase price of water without an increase in water rates.

Risk of loss

The district is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and natural disasters. The district purchases commercial insurance for all risks of loss. There have been no insurance claims or reduction in insurance coverage for the past three years.

NOTE B: BONDED INDEBTEDNESS

The U. S. Department of Housing and Urban Development was purchaser of the entire issue of water revenue bonds amounting to \$125,000 dated September 1, 1971. The bonds bear interest of 6%, payable semi-annually on March 1, and September 1, of each year and mature serially as shown in the following schedule.

Due September 1	Serial Payments		Bond Numbers
	Annual	Total	
----- 1997 - 2001	4,000	16,000	49 - 75
2002 - 2011	5,000	50,000	76 -125
		----- \$ 66,000 =====	

The bonds are callable at par plus a premium of 3% except that the call premium is reduced 1/2 of 1% each five years after the first call date (September 1, 1982).

NOTE C: FLOW OF FUNDS; RESTRICTIONS ON USE

Under the terms of the bond indenture on outstanding water utility bonds dated September 1, 1971, all income and revenue (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the "Water System Revenue Fund."

NOTE C: FLOW OF FUNDS; RESTRICTIONS ON USE (Continued)

Such revenue shall be expended and used only in the manner and order specified below.

The first charge against the Water System Revenue Fund shall be the payment of the reasonable and necessary expenses incurred in the current operation and maintenance of the system.

Each month there will be set aside into a fund called the "Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payments of principal and interest installments as they become due, and may be used only for such payments. During fiscal 1995 all transfers were made on a timely basis.

Each month there shall also be set aside into a "Revenue Bond Reserve Fund" an amount equal to 10% of the sum transferred to the Bond Sinking Fund until such time as the funds and/or investments in the Revenue Bond Reserve fund shall equal \$8,000. Thereafter, such monthly transfers will be made whenever, and to the extent necessary, to maintain the balance of \$8,000. Money in the Reserve Fund may be used solely for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Sinking Fund and as to which there would otherwise be a default.

Funds will also be set aside into a "Replacement and Extension Fund" by monthly transfers of \$79 until the amount of \$4,700 is on deposit in the fund and said fund shall, thereafter, be maintained in said amount. Money in this fund may be used for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, replacements and extensions and for paying the costs of improvements to the system which will either enhance its revenue-producing capacity or provide a higher degree of service. Money in this fund may also be used to pay principal and/or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds and to maintain the required debt reserve of \$8,000.

Any balance in the "Water System Revenue Fund" may be used for the purpose of acquiring for cancellation the outstanding Revenue Bonds or for redeeming the outstanding Revenue bonds in inverse numerical order at not to exceed the applicable call price, or for any other lawful purpose.

NOTE D: COMMENTS ON COMPLIANCE

The terms and conditions of the loan agreement and the regulations, policies, and procedures prescribed by its governing board and by H.U.D. regarding the Public Facility Loans Program were complied with.

NOTE E: WATER LOSS

At various times in prior years the district experienced significant differences between the amount of water purchased from its supplier and the amount sold to its customers. Water loss data for the three most recent years is illustrated below:

	1997	1996	1995
Water purchased	25,934	22,642	23,354
Water sold	15,875	15,955	15,016
Water unaccounted for	10,059	6,687	8,338
Percent unaccounted for	39 %	30 %	36 %

Based on the average cost per thousand gallons of water, for the respective years, the cost of the water that is unaccounted for amounted to approximately \$23,538.06 1997, \$14,912 in 1996 and \$18,594 in 1995.

Note F: OTHER GENERAL INFORMATION

1. In 1997, revenues were derived from the sale of water at the following rates:

Effective July 1, 1994:

First 2,000 gallons or less	\$15.98 (Minimum)
All over 2,000 gallons	\$4.61 per thousand gallons

2. Names and titles of principal officers and per diem paid to each.

		Per Diem
President	Robert Bourg	\$ 720.00
Member	Vernel Jackson	120.00
Member	Hebert Brunswick	720.00
Sec/Treas	Leonard Julien Jr	900.00
Member	Charles Taylor	720.00
		\$ 3,180.00

SUPPLEMENTARY INFORMATION

WATERWORKS DISTRICT NO. 4 OF THE PARISH OF ASCENSION, LOUISIANA
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - RESTRICTED ACCOUNTS
 YEAR ENDED AUGUST 31, 1997

	CASH WITH PAYING AGENT	REVENUE BOND AND INTEREST SINKING FUND	REVENUE BOND RESERVE FUND	REPLACEMENT AND EXTENSION FUND
	-----	-----	-----	-----
Cash (including time de- posits), August 31, 1996)	\$ 0	\$ 5,261	\$ 10,773	\$ 7,121
Cash receipts:				
Interest earned	0	186	299	198
Transfer from Operating Account	0	8,280		0
Transfer from Revenue Bond and Interest Sinking Fund	8,200	0		0
	-----	-----	-----	-----
Total cash available	8,200	13,727	11,072	7,319
	-----	-----	-----	-----
Cash disbursements:				
Principal payment	4,000	0	0	0
Interest payment	4,200	0	0	0
Transfer to Operating Account	0	0	0	0
Transfer to Paying Agent	0	8,200	0	0
Transfer to Revenue Bond Reserve Fund	0	0	0	0
Bank charges	0	0	0	0
	-----	-----	-----	-----
Total cash disbursements	8,200	8,200	0	0
	-----	-----	-----	-----
Cash (including time de- posits), August 31, 1997	\$ 0	\$ 5,527	\$ 11,072	\$ 7,319
	=====	=====	=====	=====

WATERWORKS DISTRICT NO. 4 OF THE PARISH OF ASCENSION, LOUISIANA
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - RESTRICTED ACCOUNTS
 YEAR ENDED AUGUST 31, 1996

	CASH WITH PAYING AGENT	REVENUE BOND AND INTEREST SINKING FUND	REVENUE BOND RESERVE FUND	REPLACEMENT AND EXTENSION FUND
	-----	-----	-----	-----
Cash (including time de- posits), August 31, 1995)	\$ 0	\$ 4,978	\$ 10,460	\$ 6,914
Cash receipts:				
Interest earned	0	183	313	207
Transfer from Operating Account	0	8,540	0	0
Transfer from Revenue Bond and Interest Sinking Fund	8,440	0	0	0
	-----	-----	-----	-----
Total cash available	8,440	13,701	10,773	7,121
	-----	-----	-----	-----
Cash disbursements:				
Principal payment	4,000	0	0	0
Interest payment	4,400	0	0	0
Transfer to Operating Account	0	0	0	0
Transfer to Paying Agent	0	8,440	0	0
Transfer to Revenue Bond Reserve Fund	0	0	0	0
Bank charges	0	0	0	0
	-----	-----	-----	-----
Total cash disbursements	8,400	8,440	0	0
	-----	-----	-----	-----
Cash (including time de- posits), August 31, 1996	\$ 40	\$ 5,261	\$ 10,773	\$ 7,121
	=====	=====	=====	=====

OPERATIONS

	-----AUGUST 31,-----	
	1997	1996
	-----	-----
Water revenues	\$ 89,145	\$ 89,609
Gallons sold (in thousands)	16,036	15,750
Total customer billings for the year	1,965	1,956
Average revenue per thousand gallons sold	\$ 5.56	\$ 5.69
Average monthly billings	164	163
Average annual revenue per customer	\$ 544.40	\$ 549.75
Average annual water usage (in thousand gallons) per customer	97.93	96.63

INSURANCE IN FORCE
AUGUST 31, 1997

UNAUDITED

Insurance in force at August 31, 1997 was as follows:

(a) commercial general liability:

General Aggregate Limit (Other Than Products-Completed Operations)	\$ 1,000,000
Products-Completed Operations Aggregate Limit	1,000,000
Personal and Advertising Injury Limit	500,000
Each Occurrence Limit	500,000
Fire Damage Limit (Any One Fire)	50,000
Medical Expense Limit (Any One Person)	5,000

(b) automobile liability

Combined Single Limit	\$ 500,000
-----------------------	------------

(c) other

Blanket Employee Dishonesty	\$ 15,000
-----------------------------	-----------

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

P.J. CABALLERO, CPA

A Professional Corporation

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WHITE CASTLE, LA. 70788-2210

A.C. 504 545-3192

December 1, 1997

Board of Directors

Parish of Ascension, Louisiana - Waterworks District No. 4
Donaldsonville, Louisiana

I have audited the general purpose component unit financial statements of the Parish of Ascension, Louisiana Waterworks District No. 4 for the year ended August 31, 1997 and have issued my report thereon dated December 31, 1997. As a part of my audit, I made a study and evaluation of the District's internal control structure and compliance with laws and regulations as required by generally accepted auditing standards. I recommend that management consider the following comments and suggestions relative to the District's operating procedures, internal control structure, and compliance with laws and regulations:

- 1 - Establish procedures to monitor differences between the amount of water purchased and the amount sold to its customers.

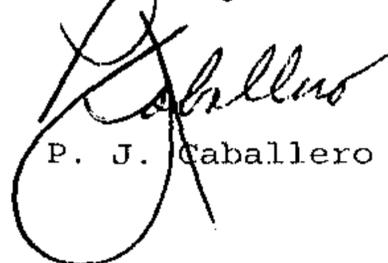
Exhibit A to this letter discusses my comments and recommendations in detail.

Exhibit B discusses the importance of the internal control structure and compliance with laws and regulations as well as the limitations of my review.

I will be pleased to discuss these matters further with you at your convenience, or to assist you in their implementation.

I thank the officers of the District and the employees of the systems operator for the cooperation given me during the course of my audit.

Sincerely,



P. J. Caballero

PJC/LLH

EXHIBIT A

The district has experienced significant differences between the amount

of water purchased and the amount sold to its customers. The difference

for the year ended August 31, 1997 was significant in comparison to the

preceding years. Based on an average cost per thousand gallons, the

cost of water unaccounted for is \$23,538.06. The district should

monitor the water loss on a frequent basis in an effort to reduce such

losses.

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PARISH OF ASCENSION, LOUISIANA
WATERWORKS DISTRICT NO. 4
DONALDSONVILLE, LOUISIANA
AUGUST 31, 1997

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 FEB 11 1998

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EXHIBIT B

INTERNAL CONTROL STRUCTURE

In planning and performing my audit of the general purpose component unit financial statements of Ascension Parish Waterworks District No. 4 for the year ended August 31, 1997, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose component unit financial statements and not to provide assurance on the internal control structure.

The management of Ascension Parish Waterworks District No. 4 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements 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 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 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 component unit financial statements of Ascension Parish Waterworks District No. 4 for the year ended August 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 control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose component unit financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance with laws, regulations, contracts, and grants applicable to the Parish of Ascension, Louisiana - Waterworks District No. 4 is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the general purpose component unit financial statements are free of material misstatement, I performed tests of the District's compliance with certain provisions of laws, regulations, and contracts. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.