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**Water Works District No. 1
of the Parish of Avoyelles**

**Annual Financial Statements
Year ended June 30, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 12-1-04

Waterworks District No. 1 of the Parish of Avoyelles
Annual Financial Statements
Year ended June 30, 2004

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Waterworks District No. 1 of the Parish of Avoyelles
Bordelonville, Louisiana

Management's Discussion and Analysis (Unaudited)

Our discussion and analysis of Waterworks District No. 1 of Avoyelles Parish, Louisiana's financial performance provides an overview of Waterworks District No. 1's financial activities for the fiscal year ended June 30, 2004. Please read it in conjunction with the District's basic financial statements.

Financial Highlights

The assets of the District exceeded its liabilities at June 30, 2004 by \$603,779 (net assets). Of this amount \$232,171 was unrestricted and may be used to meet the District's ongoing obligations. Net assets increased by \$44,068 in fiscal year 2004.

Overview of the Financial Statements

The annual report consists of three parts: Management discussion and analysis, basic financial statements and supplementary information. The basic financial statements present information for the District and is designed to make the statements easier to understand. The basic financial statements consists of the fund financial statements and notes to the financial statements.

Table 1
Net Assets

	<u>2004</u>
Current and other assets	\$ 260,761
Capital assets	<u>541,454</u>
Total Assets	\$ 802,215
Long term outstanding debt	\$ 116,000
Other liabilities	<u>82,436</u>
Total Liabilities	\$ 198,436
Net Assets	
Invested in capital assets, net of related debt	272,811
Restricted for debt service	98,797
Unrestricted	<u>232,171</u>
Total Net Assets	<u>\$ 603,779</u>

Net assets are restricted as to the purposes they can be used for, or, are invested in capital assets (buildings, water equipment, etc.) . Unrestricted net assets are those that do not have any limitations for which these amounts may be used.

Waterworks District No. 1 of the Parish of Avoyelles
Bordelonville, Louisiana

Management's Discussion and Analysis (Unaudited) (Continued)

Table 2
Changes in Net Assets

	2004
<u>Revenue</u>	
Operating -	
Charges for services	\$ 292,964
Non-operating - Interest revenue	2,374
Total revenue	\$ 295,338
<u>Expenses</u>	
Operating	245,381
Non-operating - Interest expense	5,889
Total expenses	251,270
Change in Net Assets	\$ 44,068

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2004, the District had \$1,216,352 invested in capital assets, including buildings, water wells, tanks and lines, and equipment. There were additions to capital assets of \$43,404 during 2004.

At June 30, 2004, the District had \$ 142,000 in bonds outstanding.

Table 3
Outstanding Debt at Year - End

	2004
Water Revenue Bonds:	
Long Term	\$ 116,000
Current	26,000
Total	\$ 142,000

Waterworks District No. 1 of the Parish of Avoyelles
Bordelonville, Louisiana

Management's Discussion and Analysis (Unaudited) (Continued)

Contacting the District's Management

This financial report is designed to provide our customers, citizens and taxpayers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Avoyelles Waterworks District No.1's office in Bordelonville, Louisiana.

W. Kathleen Beard
Certified Public Accountant
10191 Bueche Road
Erwinville, Louisiana 70729
(225) 627-4537 FAX (225) 627-4584

INDEPENDENT AUDITOR'S REPORT

To the President and Members of the Board of Commissioners
Waterworks District No.1 of the Parish of Avoyelles

I have audited the accompanying financial statements of the Waterworks District No.1 of the Parish of Avoyelles, a component unit of the Avoyelles Parish Police Jury, as of and for the year ended June 30, 2004, as listed in the table of contents. 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 my audit in accordance with accepted auditing standards generally accepted in the United States of America, and *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 evaluation the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Waterworks District No.1 of the Parish of Avoyelles as of June 30, 2004, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 - A to the basic financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis* - for State and Local Governments in 2004.

In accordance with *Government Auditing Standards*, I have also issued a report dated October 21, 2004 on my consideration of Waterworks District No.1 of the Parish of Avoyelles' internal control structure and on its compliance with laws and regulations.

The Management's Discussion and Analysis on pages 1 through 3 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards

Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was made for the purpose of forming an opinion on the 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 Waterworks District No.1 of the Parish of Avoyelles. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to such statements taken as a whole.

W. Kathleen Beard
Certified Public Accountant
October 21, 2004

BASIC FINANCIAL STATEMENTS

Water Works District No. 1 of the Parish of Avoyelles
 Bordelonville, Louisiana
 Statement of Net Assets
 June 30, 2004

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$36,536
Accounts receivable - Customers	34,353
Inventory	8,052
Prepaid insurance	10,676
Cylinder deposit	1,000

Total Current Assets	90,617
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RESTRICTED ASSETS

Cash and cash equivalents:	
Water customer deposits	17,424
Water amortization	17,096
Water reserve	4,387
Water depreciation	74,581

Investment in Certificates of Deposit:	
Water customer deposits	26,076
Water reserve	30,580

Total Restricted Assets	170,143
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CAPITAL ASSETS

Land	7,100
Building	114,951
Water system	1,026,858
Equipment	67,443

Total Capital Assets	1,216,353
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Less: Accumulated depreciation	(674,898)
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Total Capital Assets, net of depreciation	541,454
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TOTAL ASSETS	\$802,215
---------------------	------------------

The accompanying notes to the financial statements are an integral part of this statement.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payable from Current Assets:

Accounts payable	\$8,154
Payroll taxes payable	2,811
Sales tax payable	81

Total Payable from Current Assets	11,046
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Payable from Restricted Assets:

Customer deposits	43,542
Accrued interest payable	1,847
Revenue bonds payable - current portion	26,000

Total Payable from Restricted Assets	71,389
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Total Current Liabilities	82,436
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LONG - TERM LIABILITIES

Revenue bonds payable	116,000
-----------------------	---------

Total Long - term Liabilities	116,000
-------------------------------	---------

Total Liabilities	198,436
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NET ASSETS

Invested in capital assets, net of related debt	272,811
Restricted for revenue bond retirement	24,216
Restricted for depreciation & contingencies	74,581
Unrestricted	232,171

Total Net Assets	603,779
------------------	---------

TOTAL LIABILITIES AND NET ASSETS

Total Liabilities and Net Assets	\$802,215
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Water Works District No. 1 of the Parish of Avoyelles
 Bordelonville, Louisiana
 Statement of Revenues, Expenses, and Changes in Net Assets
 Year ended June 30, 2004

Statement B

OPERATING REVENUES

Charges for services	
Water sales	\$285,440
Late charges	2,560
Tap fees	2,333
Miscellaneous	2,631

Total operating revenues	292,964

OPERATING EXPENSES

Salaries	78,512
Repairs, maintenance, chemicals, parts and supplies	39,609
Board fees	1,690
Professional fees	4,280
Utilities	40,014
Payroll taxes	8,634
Office supplies, postage bank charges	8,114
Insurance	11,284
Miscellaneous	1,767
Rent	300
Communications	4,498
Depreciation	40,238
Fuel	4,815
Travel	1,370
Penalties and interest	25
Bad debt expense	233

Total Operating Expenses	245,381

INCOME FROM OPERATIONS

47,583

NON-OPERATING REVENUES (EXPENSES)

Interest revenue	2,374
Interest expense	(5,889)

Total Non-operating Revenues (Expenses)	(3,516)

CHANGE IN NET ASSETS

44,067

NET ASSETS AT BEGINNING OF YEAR

559,712

NET ASSETS AT END OF YEAR

\$603,779

The accompanying notes to the financial statements are an integral part of this statement.

Water Works District No. 1 of the Parish of Avoyelles
Bordelonville, Louisiana
Comparative Statement of Cash Flows
June 30, 2004

Statement C

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$298,838
Cash payments to suppliers for goods and services	(128,699)
Cash payments to employees for services	(78,512)

Net Cash Provided by (Used for) Operating Activities	91,627
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on bonds payable	(25,000)
Interest paid on bonds payable	(8,477)
Acquisition of capital assets	(43,404)

Net Cash (Used for) Capital and Related Financing Activities	(76,881)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	2,374
(Increase)/Decrease in Investments	(469)

Net Cash Provided by (Used for) Investing Activities	1,905

INCREASE (DECREASE) IN CASH	16,651
Cash and Cash Equivalents, Beginning of Year	133,373

CASH AND CASH EQUIVALENTS, END OF YEAR	\$150,024
	=====
Cash and Cash Equivalents -	
Unrestricted	36,536
Restricted	113,488

	\$150,024
	=====
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Income from operations	\$47,583
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	40,238
Net Change in Assets and Liabilities -	
(Increase) Decrease in accounts receivable	3,704
(Increase) Decrease in inventory	(2,361)
(Increase) Decrease in prepaid expense	(2,464)
Increase (Decrease) in accounts payable	3,107
Increase (Decrease) in payroll taxes payable	605
Increase (Decrease) in sales tax payable	(953)
Increase (Decrease) in customer security deposits	2,168

Total Adjustments	44,044

Net cash provided by (used for) operating activities	\$91,627
	=====

The accompanying notes to the financial statements are an integral part of this statement.

Waterworks District No. 1 of the Parish of Avoyelles
Notes to the Financial Statements
June 30, 2004

Introduction

The Waterworks District No. 1 of the Parish of Avoyelles was created on February 5, 1969 by the Avoyelles Parish Police Jury. The "District" operates under a president-board form of government whose appointments are made by the Avoyelles Parish Police Jury.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accounting and reporting practices of the Waterworks District No. 1 of the Parish of Avoyelles conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517, to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants. As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the District has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34 *Basis Financial Statements - and Management's Discussions and Analysis - for State and Local Governments*. A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations is included in this report. This and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

Waterworks District No. 1 of the Parish of Avoyelles
Notes to the Financial Statements
June 30, 2004

1. Summary of Significant Accounting Policies (Continued)

B. Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the reporting entity, for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes: (1) appointing a voting majority of an organization's governing body, and the ability of the police jury to impose its will on that organization, and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury; (2) organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury; and (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.

Because the Avoyelles Parish Police Jury appoints the governing board and because of the scope of public service, the District is deemed to be a component unit of the Avoyelles Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. Fund Accounting

The District is organized and operated on the basis of funds whereby a separate self - balancing set of accounts (Enterprise Fund) is maintained that comprise its assets, liabilities, fund equity, revenue and expense. 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 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. The enterprise fund is used to account for water services provided to the residents and businesses within the District and the \$560,000 issue of revenue bonds dated July 11, 1969.

Waterworks District No. 1 of the Parish of Avoyelles
Notes to the Financial Statements
June 30, 2004

1. Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The Enterprise fund, as reported in the accompanying financial statements has been reported on the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred.

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash on hand and all restricted and unrestricted cash in banks (demand deposits, interest-bearing demand deposits and money market accounts) and highly liquid investments, having a maturity of three months or less when purchased are considered to be cash equivalents.

F. Investments

Investments at June 30, 2004 are stated at cost which approximates market.

G. Inventories

Inventories consist of parts and materials and are recorded as an expense when consumed. Inventories are valued at the lower of cost, utilizing the first in - first out method of valuation, or market.

H. Restricted Assets

Certain proceeds of the District as revenue bonds, as well as certain resources set aside for their payment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Under the terms of the bond indenture all of the income and revenues earned by the District from the operations of the waterworks system, must be deposited in the System Fund. Monies in the System Fund shall be first used for the payment of all reasonable and necessary expenses of operating and maintaining the system. By the 20th day of each month, ½ of the next maturing revenue bond and interest installment must be transferred from the System Fund into the Amortization Fund.

Waterworks District No. 1 of the Parish of Avoyelles
Notes to the Financial Statements
June 30, 2004

1. Summary of Significant Accounting Policies (Continued)

H. Restricted Assets (Continued)

Under the terms of the bond indenture, transfers should also be made to the Reserve Fund in an amount equal to 5% of the amount transferred into the Amortization Fund until there is on deposit an amount equal to \$33,000. There shall also be deposited \$230 per month into the Depreciation and Contingency Fund.

I. Fixed Assets

The cost of property, plant and equipment, including significant betterments to existing facilities and infrastructure is recorded in the enterprise fund on its balance sheet. Interest costs incurred during construction are capitalized. Depreciation of all exhaustible fixed assets are charged as an expense against operations and has been computed under the straight - line method based on the estimated useful lives of the individual assets. Estimated useful lives are as follows:

Distribution system	50 years
Storage tanks	40 years
Pumping stations and buildings	20 years
Other Equipment	3 -10 years

All fixed assets are stated at historical cost. Donated assets are valued at their estimated fair value on the date donated.

For the fiscal year ended June 30, 2004, there were no interest charges capitalized on fixes assets acquired or constructed.

J. Compensated Absences

The District has adopted a policy for paid vacation and sick leave for all full time employees. After on full year of service, an employee is granted 14 days vacation and seven days sick leave. Unused vacation leave is lost at the end of the calendar year. Employees hired before June 30, 1996 are allowed to carry forward any unused vacation leave as of that date, however, vacation leave earned after that date is non-cumulative. Sick leave may be accumulated indefinitely. At June 30, 2004, the amount of unused paid leave is immaterial, therefore, no accrual for compensated absences have been made in these financial statements.

Waterworks District No. 1 of the Parish of Avoyelles
Notes to the Financial Statements
June 30, 2004

1. Summary of Significant Accounting Policies (Continued)

K. Long - Term Liabilities

Long - term liabilities are recognized within the Enterprise Fund.

L. Net Assets

Net assets is the difference between assets and liabilities. Net assets invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use.

2. Cash and Investments

Under state law the District may deposit funds in demand deposits (cash and cash equivalents) with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At June 30, 2004, the book balances of the District's deposits was \$149,958 and the bank balances were \$154,065.

State law requires that these deposits be insured by federal depository insurance or secured by the pledge of securities owned by the fiscal agent bank in an amount at least equal to the bank balance of the deposits. At June 30, 2004, the bank balance was covered by federal depository insurance and pledged securities having a market value of \$83,310.

Investments -

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days.

The District holds investments in certificates of deposit having a bank and book balance of \$56,656 of which, all was covered by federal depository insurance.

Waterworks District No. 1 of the Parish of Avoyelles
Notes to the Financial Statements
June 30, 2004

3. Accounts Receivable

At June 30, 2004, accounts receivable from customers is comprised of the following:

	2004	2003
Current Billing	\$ 20,787	\$ 25,521
Past due	1,306	1,190
	22,094	26,711
Unbilled receivables	12,259	11,347
	\$ 34,353	\$ 38,058

4. Capital Assets -

The following is a summary of the capital asset activity for the year ended June 30, 2004:

	Balance 7/1/03	Increases	Decreases	Balance 6/30/04
Land	\$ 7,100	\$ 0	\$ 0	\$ 7,100
<u>Capital Assets Being Depreciated:</u>				
Building	114,951	0	0	114,951
Plant	1,005,775	21,083	0	1,026,858
Equipment	45,122	22,321	0	67,443
Total Assets Being Depreciated	\$ 1,165,848	\$ 43,404	\$ 0	\$ 1,209,252
Less: Accumulated Depreciation	634,660	40,238	0	674,898
Total Capital Assets Being Depreciated, Net of Depreciation	531,188	3,166	0	534,354
Total Capital Assets, Net	\$ 538,288	\$ 3,166	\$ 0	\$ 541,454

Waterworks District No. 1 of the Parish of Avoyelles
Notes to the Financial Statements
June 30, 2004

5. Bonds Payable

The following is a summary of transactions occurring during the year related to the revenue bond issue:

Long- term liabilities at June 30, 2003	\$ 167,000
Additions	0
Deductions	<u>(25,000)</u>
Long - term liabilities at June 30, 2004	<u>\$ 142,000</u>

The annual requirements to amortize all long - term debt as of June 30, 2004 scheduled as follows, including interest payments at 4.75% totaling \$20,854:

Year ending <u>June 30,</u>	Revenue Bonds & Interest Maturity
2005	\$ 32,745
2006	32,510
2007	32,228
2008	32,898
2009	<u>32,473</u>
	<u>\$ 162,854</u>

6. Retirement Commitments

Employees of the District are members of the social security retirement system. The District has no further liability for retirement commitments.

7. Litigation and Claims

At June 30, 2004 the District was not involved in litigation or is aware of any unasserted claims.

8. Risk Management

The District purchases commercial insurance to deal with potential liabilities. The District maintains insurance policies to cover risks related to workers compensation, general liability, public officials errors and omissions, commercial property damage, and automobile coverage.

SUPPLEMENTARY INFORMATION

W. Kathleen Beard
Certified Public Accountant
10191 Bueche Road
Erwinville, Louisiana 70729
(225) 627-4537 FAX (225) 627-4584

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

To the President and Members of the Board of Commissioners
Waterworks District No. 1 of the Parish of Avoyelles

I have audited the basic financial statements of the Waterworks District No. 1 of the Parish of Avoyelles, as of and for the year ended June 30, 2004, and have issued my report thereon dated October 21, 2004. I have conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Waterworks District No. 1 of the Parish of Avoyelles' basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, 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*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Waterworks District No. 1 of the Parish of Avoyelles' internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the

general purpose 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 over financial reporting and its operation that I consider to be a material weakness.

This report is intended solely for the information and use of the president, members of the Board of Commissioners and the management of Waterworks District No. 1 of the Parish of Avoyelles, Avoyelles Parish Police Jury and the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

W. Kathleen Beard
Certified Public Accountant
October 21, 2004

Water Works District No. 1 of the Parish of Avoyelles
Bordelonville, Louisiana
Schedule of Compensation Paid Board Members
For the Year ended June 30, 2004

Schedule 1

<u>Board Member</u>	<u>Amount</u>
Shelby Laborde	\$180
Marilyn B. Coco	450
James Armand	510
David Bordelon	400
Peter Lemoine	150
Total	<u>\$1,690</u> =====

Water Works District No. 1 of the Parish of Avoyelles
 Bordelonville, Louisiana
 Schedule of Changes in Assets Restricted
 For Revenue Bond Debt Retirement
 For the Year ended June 30, 2004

Schedule 2

	<u>Amortization Fund</u>	<u>Reserve Fund</u>	<u>Depreciation Fund</u>	<u>Total</u>
Cash balance at June 30, 2003	\$17,578	\$34,441	\$45,048	\$97,067
Cash Receipts:				
Transfers from Operating	32,235	0	28,720	60,955
Interest earned on invested funds	215	526	813	1,554
<hr style="border-top: 1px dashed black;"/>				
Total Cash Available	50,028	34,967	74,581	159,576
Cash Disbursements:				
Transfers to Emergency Fund	0	0	0	0
Bond principal payments	25,000	0	0	25,000
Bond interest payments	7,933	0	0	7,933
Water system improvements	0	0	0	0
<hr style="border-top: 1px dashed black;"/>				
Total Disbursements	32,933	0	0	32,933
<hr style="border-top: 1px dashed black;"/>				
Cash balance at June 30, 2004	\$17,096	\$34,967	\$74,581	\$126,643
<hr style="border-top: 3px double black;"/>				

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Waterworks District No 1 of the Parish of Avoyelles.
2. No reportable conditions were disclosed during the audit of the general purpose financial statements in the report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the general purpose financial statements of the Waterworks District No 1 of the Parish of Avoyelles were disclosed during the audit.

B. Findings - Financial Statements Audit

There were no findings.

A. Internal Control and Compliance Material to the Financial Statements

There were no findings.

B. Management Letter

No management letter was issued.