

BUCKEYE WATER DISTRICT #50, INC.**DEVILLE, LOUISIANA****DECEMBER 31, 2010 AND 2009**

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

8/31/11

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ADLER & PIAS

LLC
CERTIFIED PUBLIC ACCOUNTANTS

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Standard Report on Financial Statements and on the Supplementary Schedule of Expenditures of Federal Awards Issued in a Single Audit—Nonprofit Organization

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Buckeye Water District No. 50, Inc.

We have audited the accompanying statement of financial position of Buckeye Water District No. 50, Inc. (a nonprofit organization) as of December 31, 2010, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Buckeye Water District No. 50, Inc.'s 2009 financial statements and, in our report dated April 30, 2010, we expressed an unqualified opinion on those financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Buckeye Water District No. 50, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2011, on our consideration of Buckeye Water District No. 50, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures

applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Adler & Pias, LLC

Adler and Pias, LLC

June 14, 2011

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Government Auditing Standards Report on Internal Control over Financial Reporting and on Compliance and Other Matters—with No Material Weaknesses, Significant Deficiencies, or Reportable Instances of Noncompliance or Other Matters Identified—Nonprofit Organization

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

To the Board of Directors of
Buckeye Water District No. 50, Inc.

We have audited the financial statements of Buckeye Water District No. 50, Inc. as of and for the year ended December 31, 2010, and have issued our report thereon dated June 14, 2011. We conducted our 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Buckeye Water District No. 50, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Buckeye Water District No. 50, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Buckeye Water District No. 50, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the USDA Rural Utility Service, the Legislative Auditor of the state of Louisiana, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Adler & Pias, LLC

Adler and Pias, LLC

June 14, 2011

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Single Audit Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance—with Unqualified Opinion on Compliance; No Material Weaknesses or Significant Deficiencies

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Buckeye Water District No. 50, Inc.

Compliance

We have audited Buckeye Water District No. 50, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Buckeye Water District No. 50, Inc.'s major federal programs for the year ended December 31, 2010. Buckeye Water District No. 50, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Buckeye Water District No. 50, Inc.'s management. Our responsibility is to express an opinion on Buckeye Water District No. 50, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Buckeye Water District No. 50, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Buckeye Water District No. 50, Inc.'s compliance with those requirements.

In our opinion, Buckeye Water District No. 50, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of Buckeye Water District No. 50, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Buckeye Water District No. 50, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the

purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Buckeye Water District No. 50, Inc.'s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the USDA Rural Utility Service, the Legislative Auditor of the state of Louisiana, others within the entity, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Adler and Pias, LLC

June 14, 2011

BUCKEYE WATER DISTRICT # 50, INC.
DEVILLE, LOUISIANA
STATEMENT OF FINANCIAL POSITION WITH SUMMARIZED FINANCIAL
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2009

ASSETS

<u>Current Assets</u>	2010	2009
Cash and Cash Equivalents	1,106,710	1,295,372
Accounts Receivable	69,714	69,389
Total Current Assets	1,176,424	1,364,761
 <u>Noncurrent Assets</u>		
Checking Accounts	298,049	109,732
Certificates of Deposit	303,998	100,000
Total Noncurrent Assets	602,047	209,732
 <u>Property, Plant and Equipment</u>	4,788,321	4,423,586
TOTAL ASSETS	<u>6,566,792</u>	<u>5,998,079</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accrued Interest Payable	9,814	62,271
Accounts Payable	24,557	95,587
Accrued Payroll Taxes	-0-	1,576
Current Maturities of Notes Payable	37,079	52,737
Total Current Liabilities	71,450	212,171
 <u>Long Term Debt</u>	2,811,457	2,337,571
 Customer Deposits	128,180	124,170
Total Liabilities	3,011,087	2,673,912
 <u>Net Assets</u>		
Unrestricted	2,694,903	2,448,137
Temporarily Restricted	860,802	876,029
Permanently Restricted	-0-	-0-
Total Net Assets	3,555,705	3,324,167
TOTAL LIABILITIES AND NET ASSETS	<u>6,566,792</u>	<u>5,998,079</u>

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

BUCKEYE WATER DISTRICT # 50, INC.
DEVILLE, LOUISIANA
STATEMENT OF ACTIVITIES WITH SUMMARIZED FINANCIAL
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2009

	Unrestricted	Temporarily Restricted	2010	2009
<u>OPERATING INCOME</u>				
Water Sales	928,568	-0-	928,568	889,934
Tap and Connection Fees	28,530	-0-	28,530	27,280
Total Operating Income	957,098	-0-	957,098	917,214
<u>OPERATING EXPENSES</u>				
Accounting	9,300	-0-	9,300	7,050
Auto Expenses	23,945	-0-	23,945	21,201
Depreciation	335,194	-0-	335,194	273,338
Equipment Rental	4,271	-0-	4,271	2,696
Insurance	35,280	-0-	35,280	46,138
Interest	104,285	-0-	104,285	113,867
Lease Expense	2,701	-0-	2,701	2,701
Legal and Professional	2,946	-0-	2,946	2,871
Office Supplies	12,285	-0-	12,285	16,797
Shop Expense	4,682	-0-	4,682	4,307
Permits and Fees	11,311	-0-	11,311	11,030
Postage	18,360	-0-	18,360	17,242
Repairs and Maintenance	78,242	-0-	78,242	58,488
Chemicals	5,365	-0-	5,365	5,099
Payroll Taxes	28,124	-0-	28,124	26,652
Telephone	8,067	-0-	8,067	8,194
Utilities	85,380	-0-	85,380	82,702
Wages	247,243	-0-	247,243	246,549
General and Administrative	7,619	-0-	7,619	6,072
Total Operating Expenses	1,024,600	-0-	1,024,600	952,994
PROFIT FROM OPERATIONS	(67,502)	-0-	(67,502)	(35,780)
<u>NON OPERATING INCOME</u>				
Other Income	42,080	-0-	42,080	52,466
Grant Income - Debt Forgiveness	219,708	-0-	219,708	110,550
Interest Income	37,253	-0-	37,253	15,357
Transfers - Loan Reserves	15,227	(15,227)	-0-	-0-
Total Non Operating Income	314,268	(15,227)	299,041	178,373
CHANGE IN NET ASSETS	246,766	(15,227)	231,539	142,593
NET ASSETS, BEGINNING OF YEAR	2,448,138	876,029	3,324,167	3,181,574
NET ASSETS, END OF YEAR	2,694,904	860,802	3,555,705	3,324,167

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

BUCKEYE WATER DISTRICT # 50, INC.
DEVILLE, LOUISIANA
STATEMENT OF CASH FLOWS WITH SUMMARIZED FINANCIAL
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2009

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2010</u>	<u>2009</u>
Change in Net Assets	231,539	142,593
Adjustments to Reconcile Change in Net Assets to Net		
Cash provided by operating activities:		
Depreciation	335,194	273,338
Grant Income - Debt Forgiveness	(219,708)	(110,550)
Change in Assets and Liabilities:		
Accounts Receivable	(325)	929
Checking Accounts - Noncurrent	(188,317)	(7,548)
Accrued Interest Payable	(52,457)	37,141
Accounts Payable	(71,030)	(398,513)
Accrued Payroll Taxes	(1,576)	(1,509)
Deposits	4,010	7,837
Total Adjustments	<u>(194,209)</u>	<u>(198,875)</u>
Net Cash Provided by Operating Activities	37,330	(56,282)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchases of Property, Plant and Equipment	(699,929)	(681,426)
Certificates of Deposit	(203,998)	633
Net Cash (Used) by Investing Activities	<u>(903,927)</u>	<u>(680,793)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Repayments of Notes Payable	(54,424)	(1,066,318)
Grant Income - Debt Forgiveness	219,708	110,550
Loan Proceeds	512,651	1,951,951
Net Cash Provided by Financing Activities	<u>677,935</u>	<u>996,183</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(188,662)</u>	<u>259,108</u>
CASH - BEGINNING OF YEAR	1,295,372	1,036,264
CASH - END OF YEAR	<u><u>1,106,710</u></u>	<u><u>1,295,372</u></u>
Supplemental Disclosure:		
Interest Paid	156,742	76,726

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

BUCKEYE WATER DISTRICT #50, INC.
DEVILLE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Federal Expenditures	Year
U.S. Dept. of Environmental Protection Agency	66.468	\$770,958	2010
Pass-through program from La. Dept. of Health and Hospitals	66.468	\$988,697	2009
ARRA Drinking Water State Revolving Fund			

The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Buckeye Water District #50, Inc. under programs of the federal government for the year ended December 31, 2010 and 2009. The information in this Schedule is Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of Buckeye Water District #50, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Buckeye Water District #50, Inc.

Expenditures reported on the Schedule are reported on the cash basis of accounting and, accordingly, represent the total cash expended for the program. The Schedule does not include transactions that might be included using the accrual basis of accounting as contemplated by generally accepted accounting principles. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**BUCKEYE WATER DISTRICT #50, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Nature of Activities:

Buckeye Water District #50, Inc. was incorporated on May 24, 1971. Construction of the water system was financed by loans from the Farmers Home Administration (USDA Rural Development Service). The system now serves approximately 3,500 customers.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation:

The water system is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents:

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Property, Plant and Equipment:

The cost of property, plant and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight line method for both financial statements and income tax reporting.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes:

The water system is exempt from federal income taxes under section 501(c)(12) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

Allowance for Doubtful Accounts:

Management has experienced extremely low bad debts over the past several years, for this reason an allowance for doubtful accounts has not been recorded, but bad debts are charged to operations as they occur.

Compensated Absences:

Because of the immateriality of estimating compensated absences, the water system has not attempted to accrue a liability for them. These amounts would be immaterial to the financial statements and would relate only to vacation pay.

**BUCKEYE WATER DISTRICT #50, INC.
NOTES TO FINANCIAL STATEMENTS**

Summarized Financial Information:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

Note 2. SUMMARY OF CASH:

<u>Current</u>	2010	2009
Petty Cash	200	200
Money Market	967,148	841,867
Revenue Fund	36,047	350,497
Savings Accounts	103,315	102,808
Total	1,106,710	1,295,372
 <u>Noncurrent</u>		
Reserve Fund	541	541
Construction Accounts	183,122	322
Deposit Fund	114,386	108,869
Certificates of Deposit	303,998	100,000
Total	602,047	209,732

Note 3. SIGNIFICANT CONCENTRATIONS OF CREDIT RISK:

The water system maintains many accounts at several different banks and Wells Fargo Advisors. Accounts at banks are insured up to \$250,000 by the FDIC and accounts at Wells Fargo Advisors are insured up to \$500,000 per eligible account by the SPIC, subject to a maximum limit of \$100,000 on cash claims. Wells Fargo Advisors has purchased additional protection up to the full value through a commercial insurance company. At December 31, 2010 and 2009 cash exceeded FDIC limits by \$283,555 and \$209,688, respectively.

Note 4. RESERVE REQUIREMENTS:

	2010	2009
USDA Loan 9130-01	-0-	56,500
USDA Loan 9130-02	-0-	56,500
DHH Loan 1079004-1	75,000	75,000
USDA Loan 9120-04	707,802	610,029
DHH Loan 1079004-2	78,000	78,000
Total	860,802	876,029

In accordance with the terms of the loan covenants, funds may be used to finance emergency repairs, system improvements and debt service. All reserve requirements have been met for both years. Some funds set aside for reserve requirements are in Cash and Cash Equivalents.

Note 5. ACCOUNTS RECEIVABLE:

	2010	2009
Current	63,370	64,213
Over 30 Days	6,344	5,176
Total	69,714	69,389

BUCKEYE WATER DISTRICT #50, INC.
NOTES TO FINANCIAL STATEMENTS

Note 6. DEPOSITS:

A refundable deposit is collected from new customers to the system. At December 31, 2010 and 2009, respectively there were \$128,180 and \$124,170 held for that purpose.

Note 7. PROPERTY, PLANT & EQUIPMENT:

	2010	2009
Land	46,300	46,300
Equipment	177,519	177,519
Vehicles	95,647	95,647
Building	202,221	198,123
Lines and Extensions	2,344,005	2,344,005
Wells and Pumps	1,293,416	1,293,416
Tanks	3,459,953	2,764,122
Furniture and Fixtures	54,031	54,031
	<u>7,673,092</u>	<u>6,973,163</u>
Less: Accumulated Depreciation	(2,884,771)	(2,549,577)
Book Value	<u>4,788,321</u>	<u>4,423,586</u>

Note 8. NOTES PAYABLE:

	2010	2009
Loan 9130-01: 5% note payable to USDA in monthly installments of \$2,470 maturing in year 2010.	-0-	13,874
Loan 9130-02: 5% note payable to USDA in monthly installments of \$1,448 maturing in year 2011.	7,192	24,483
Loan 1079004-1: 3.45% note payable to DHH in annual of installments maturing in year 2029.	386,000	400,000
Loan 9120-04: 4.5% note payable to USDA in monthly installments of \$7,691 maturing in year 2050.	1,684,741	1,694,000
Loan 1079004-2: 2.95% note payable to DHH in annual of installments maturing in year 2031.	770,603	257,951
	<u>2,848,536</u>	<u>2,390,308</u>
Less Current Maturities	(37,079)	(52,737)
	<u>2,811,457</u>	<u>2,337,571</u>

Maturities of long-term debt for each of the next five years are:

2011	37,079
2012	46,394
2013	62,603
2014	65,305
2015	67,071
Total	<u>278,452</u>

**BUCKEYE WATER DISTRICT #50, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 9. LEASES:

Minimum future lease payments under noncancelable operating leases having remaining terms in excess of one year as of December 31, 2010 for each of the next five years and in the aggregate are:

2011	600
2012	600
2013	600
2014	600
2015	600
	<u>3,000</u>

Note 10. WATER SALES:

The water district sold 291,137,000 and 273,902,000 gallons of water in 2010 and 2009, respectively. The water district serves 70 commercial users.

Note 11. BOARD OF DIRECTORS:

	<u>Term Expires</u>	<u>Office</u>
David Richey 690 Bethel Rd. Deville, LA 71328	March 2011	President
Eugene Thomisee 742 Philadelphia Rd. Deville, LA 71328	March 2012	Vice President
Lloyd Price 715 Hwy. 115 Deville, LA 71328	March 2013	Secretary/ Treasurer
Ray Rosier 242 Rosier Rd. Deville, LA 71328	March 2011	
Roy Mays 99 Nick Mays Rd. Pineville, LA 71360	March 2013	
Lemoyne Duff 75 Joe Rosier Rd. Deville, LA 71328	March 2012	
Gene Gunter 54 Day Road Deville, LA 71328	March 2012	
Dean Sikes 64 J.W. Ryder Road Deville, LA 71328	March 2013	

**BUCKEYE WATER DISTRICT #50, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 12. WATER RATE SCHEDULE:

Effective January 1, 2007:

Residential \$8.50 up to 2,000 gallons
 2.50 per 1,000 for all over 2,000 gallons

Commercial \$25.00 up to 12,000 gallons
 2.50 per 1,000 for all over 12,000 gallons

Note 13. INSURANCE COVERAGE:

Insurance coverage is provided by State Farm Insurance Co., and Cima.

<u>Description</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expiration</u>
Property	Buildings & Equipment	\$2,562,200	01/29/2012
	Contents	\$77,600	
Liability		\$1,000,000	
Auto	2008 GMC C3500	250/500/100 Liability	09/17/2012
Auto	2006 Dodge Ram 3500	250/500/100 Liability	05/12/2011
Auto	2006 Dodge Ram 1500	250/500/100 Liability	10/13/2011
Auto	2009 Ford F-150	250/500/100 Liability	06/17/2011
Fidelity Bond	Office Personnel Directors	\$500,000	07/08/2011
Officers and Directors		\$1,000,000	07/08/2012
Workman Compensation		Statutory	01/29/2012

Note 14. EVALUATION OF SUBSEQUENT EVENTS:

The water system has evaluated subsequent events through June 14, 2011, the date which the financial statements were available to be issued. There are no disclosures deemed necessary.

**BUCKEYE WATER DISTRICT #50, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COST**

Summary of Auditor's Results

The auditor's report expresses an unqualified opinion on the financial statements of Buckeye Water District #50, Inc..

There were no significant deficiencies in internal control over financial reporting required to be disclosed during the audit of the financial statements.

There were no significant deficiencies in compliance over financial reporting required to be disclosed during the audit of the financial statements.

The auditor's report on compliance for the major federal award program expresses an unqualified opinion on all major federal programs.

The program tested as a major program included:

U.S. Dept. of Environmental Protection Agency	CFDA No.
Drinking Water State Revolving Fund	66.468

Buckeye Water District #50, Inc. was determined to be a high risk auditee, because the above referenced program is the only program and it involves ARRA funds.