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**WATERWORKS DISTRICT NO. 8 OF THE PARISH
OF ST. MARY, STATE OF LOUISIANA**

General Purpose Financial Statements

As of and for the Year Ended May 31, 2001

In accordance with state law, this report is to be certified by the parish council. A copy of this report shall be filed with the parish clerk and one copy shall be filed with the parish clerk of court. It is the responsibility of the parish council to certify the report to the parish clerk of court. The parish clerk of court shall file the report with the parish clerk of court, when appropriate, at the office of the parish clerk of court.

Parish Date: 11/21/01

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Waterworks District No. 5 of the
Parish of St. Mary, State of Louisiana
Covington, Louisiana

We have audited the accompanying general purpose financial statements of the Waterworks District No. 5 of the Parish of St. Mary, State of Louisiana, a component unit of the St. Mary Parish Council, as of and for the year ended May 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Waterworks District No. 5 of the Parish of St. Mary, State of Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Waterworks District No. 5 of the Parish of St. Mary, State of Louisiana as of May 31, 2001, and the results of its operations 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 October 25, 2001, on our consideration of the Waterworks District No. 5's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Waterworks District No. 5. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Gudry & Chalvin, CPAs
Certified Public Accountants

Monroe, Louisiana
October 25, 2001

WATERWORKS DISTRICT NO. 3 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA

PROPRIETARY FUND - ENTERPRISE FUND

Balance Sheets
May 31, 2001 and 2000

	2001	2000
ASSETS		
Current Assets:		
Cash	\$ 384,150	\$ 487,000
Accounts receivable-water billings	82,473	89,282
Interest receivable	453	1,700
Prepaid expenses	20,858	23,875
Total Current Assets	487,934	599,857
Non-Current Assets:		
Due From Other Governmental Units	-	10,070
Deferred charges - Unamortized bond issue cost	42,304	49,372
Total Non-Current Assets	42,304	59,442
Restricted Assets:		
Misc. Deposit Fund:		
Cash	54,508	50,588
Interest receivable	1,355	1,008
Sinking Fund for Public Improvement Bonds:		
Cash	26,218	88,283
Interest receivable	150	1,706
Capital Additions & Contingencies Fund:		
Cash	87,527	109,591
Interest receivable	97	1,240
Construction Fund:		
Cash	85,473	1,208,646
Interest Receivable	88	13,882
Total Restricted Assets	245,842	1,511,889
Waterworks System, Plant and Equipment (net of accumulated depreciation)		
	1,081,867	1,043,574
TOTAL ASSETS	\$2,058,073	\$2,313,582

See accompanying notes to financial statements.

WATERWORKS DISTRICT NO. 2 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA

PROPRIETARY FUND - ENTERPRISE FUND

Balance Sheets (Continued)
May 31, 2021 and 2020

LIABILITIES AND FUND EQUITY	<u>2021</u>	<u>2020</u>
Current Liabilities		
Payable from current assets:		
Accounts payable	\$ 88,544	58,082
Accounts expense	1,758	881
Water meter deposits	2,804	8,095
Due to other governmental agencies	70,158	-
Total payable from current assets	<u>163,264</u>	<u>67,058</u>
Payable from restricted assets:		
Sinking Fund for Public Improvement Bonds:		
Bonds payable within one year	125,000	58,000
Interest payable	24,000	23,807
Water meter deposits	50,321	51,584
Total payable from restricted assets	<u>200,321</u>	<u>133,391</u>
Total Current Liabilities	363,585	200,449
Long-term Liabilities:		
Bonds Payable	<u>2,478,000</u>	<u>2,478,000</u>
Total Liabilities	6,111,585	4,678,449
Fund Equity:		
Retained Earnings		
Resourced for:		
Bonded indebtedness	-	-
Capital improvements	163,180	1,278,367
Unreserved	<u>3,183,357</u>	<u>1,868,783</u>
Total Fund Equity	3,346,537	3,147,150
TOTAL LIABILITIES AND FUND EQUITY	\$6,458,122	\$6,825,600

See accompanying notes to financial statements.

WATERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA

PROPRIETARY FUND - ENTERPRISE FUND

Statement of Revenues, Expenses,
and Changes in Retained Earnings
For the Years Ended May 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Operating Revenues		
Charges for services:		
Water sales	\$ 458,407	\$ 430,838
Service fees	28,807	27,287
Late payment fees	11,888	8,873
Collection fees	12,388	73,838
Total Operating Revenues	<u>511,490</u>	<u>540,836</u>
Operating Expenses		
Personal services and related benefits	381,878	358,338
Supplies and materials	77,893	51,652
Other services and charges	285,801	211,637
Depreciation	181,757	182,687
Total Operating Expenses	<u>927,329</u>	<u>804,314</u>
Operating Income (Loss)	<u>(415,839)</u>	<u>(263,478)</u>
Non-operating Revenues (Expenses)		
All voters' taxes - maintenance	180,338	208,648
All voters' taxes - debt retirement	183,138	178,454
State revenue sharing	3,044	8,314
Investment income	60,795	88,918
Miscellaneous income	9,581	800
Debt interest	<u>(188,330)</u>	<u>(137,220)</u>
Total Non-operating Revenues (Expenses)	<u>242,466</u>	<u>378,962</u>
Net Income (Loss)	<u>(173,373)</u>	<u>(84,516)</u>
Retained Earnings, Beginning of Year	<u>1,338,585</u>	<u>1,323,882</u>
Retained Earnings, End of Year	<u>\$ 1,165,212</u>	<u>\$ 1,239,366</u>

See accompanying notes to financial statements.

WATERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA

PROPRIETARY FUND - ENTERPRISE FUND

Statements of Cash Flows
For the Years Ended May 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 220,808	\$ 480,828
Cash payments to suppliers for goods and services	(280,649)	(279,058)
Cash payments to employees for services	(280,108)	(335,307)
Net cash used by operating activities	<u>(339,949)</u>	<u>(133,537)</u>
Cash flows from noncapital financing activities:		
Ad-valorem taxes	352,877	387,100
State revenue sharing	8,244	9,493
Miscellaneous income	8,261	838
Net cash provided by noncapital financing activities	<u>369,382</u>	<u>397,431</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,289,800)	(259,048)
Proceeds from payment of sale appreciate	12,278	2,133
Proceeds from issuance of general obligation bonds	-	2,280,000
Interest earned on restricted funds	25,728	59,778
Principal paid on general obligation bonds	(80,000)	(1,120,000)
Interest paid on general obligation bonds	(45,158)	(107,124)
Increase (decrease) in current liabilities payable from restricted assets	5,143	10,000
(Increase) decrease in interest receivable-restricted assets	(2,268)	(12,832)
Net cash flows from (used by) capital and related financing activities	<u>(1,480,967)</u>	<u>(621,858)</u>
Cash flows from investing activities:		
Interest earned on operating funds	29,322	21,871
Net cash provided by investing activities	<u>29,322</u>	<u>21,871</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,230,817)</u>	<u>(1,014,734)</u>
Cash and cash equivalents at May 31, 2000	<u>1,851,850</u>	<u>885,739</u>
Cash and cash equivalents at May 31, 2001	<u>\$ 621,033</u>	<u>\$ 1,094,850</u>

See accompanying notes to financial statements.

WATERWORKS DISTRICT NO. 3 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA

PROPRIETARY FUND - ENTERPRISE FUND

Statements of Cash Flows
For the Years Ended May 31, 2001 and 2000

Net operating loss	(265,089)	(181,792)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation Expense	181,157	152,687
Decrease in accounts receivable	3,809	1,524
(Increase) decrease in unamortized bond issue costs	3,878	(34,492)
(Increase) decrease in prepaid expenses	(3,580)	8,251
Increase in accounts payable	38,432	12,322
Increase in accrued expenses	697	29
Decrease in water main deposits	(3,182)	(2,148)
Increase (decrease) in due to other govt agencies	(2,188)	(28,388)
Total adjustments	(229,248)	158,791
Net cash used by operating activities	<u>\$ (135,841)</u>	<u>\$ (122,941)</u>

See accompanying notes to financial statements.

WATERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA

Notes to the Financial Statements
May 31, 2004

INTRODUCTION

Waterworks District No. 5 of the Parish of St. Mary, State of Louisiana was created by Ordinance No. 595 of the St. Mary Parish Police Jury, on September 5, 1954, for the purpose of establishing, acquiring, constructing, maintaining and operating a waterworks system for the benefit of the people of the District. The District is governed by a board of seven members, which are appointed by the St. Mary Parish Council. The board meets each month on the third Tuesday of the waterworks district office. The members receive a per diem of \$50 for each meeting attended. At May 31, 2004, there were approximately 1,546 customers receiving service.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the St. Mary Parish Water District No. 5 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied in governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The district is a component unit of the St. Mary Parish Council, the financial reporting entity. The parish council is financially accountable for the district because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish council, the general government services provided by this governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The St. Mary Parish Water District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

D. 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 the fund is included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities incurred. The Enterprise Fund uses the following practices in recording certain revenues and expenses.

**WATERWORKS DISTRICT NO. 3 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA**

**Notes to the Financial Statements (Continued)
May 31, 2001**

Revenues: Water sales and service and collector fees are recorded when earned. Ad valorem and state revenue sharing taxes are recorded in the year the taxes are due and payable. Interest income is recorded when earned. All other revenues are recorded when received.

Expenses: Expenditures are recorded in the period that the liabilities are incurred.

E. ENCUMBRANCES

Circumstances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation is employed by the water district.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

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; otherwise, they are classified as cash equivalents.

G. INTEREST RECEIVABLE

Interest on investments is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

H. PREPAID EXPENSES

Payments made to vendors for services that will benefit periods beyond May 31, 2001, are recorded as prepaid expenses. At May 31, 2001, prepaid expenses were recorded as \$28,000.

I. RESTRICTED ASSETS

Certain proceeds of enterprise fund bonds, as well as certain resources set aside for their enjoyment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "water deposit fund" account is used to report resources not usable to meet unanticipated contingencies or to fund asset renewals and replacements. The "construction fund" account is used to report those proceeds of bond issuances that are restricted for use in construction.

J. WATERWORKS SYSTEM, PLANT AND EQUIPMENT

Fixed assets of the district are included on the balance sheet of the fund. Interest costs incurred during construction are capitalized. Fixed assets used in the proprietary fund type operations are valued at historical costs. Infrastructure fixed assets (consisting of the waterworks system) are capitalized along with other fixed assets. Depreciation of all depreciable fixed assets used by the proprietary fund type operations is charged as an expense against operations. Fixed assets on the balance sheet are net of accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful lives of the various assets.

WATERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA

Notes to the Financial Statements (Continued)
May 31, 2001

II. CAPITALIZATION OF INTEREST COSTS

Interest costs incurred by the district during the construction of an asset for its own use are subject to capitalization based on the guidelines established by FASB-94 (Capitalization of Interest Costs).

L. BOND ISSUANCE COSTS

Bond issuance costs for proprietary funds are deferred and amortized over the term of the bonds outstanding. Bond issuance costs are recorded as deferred charges on the balance sheet.

III. COMPENSATED ABSENCES

The district has the following policy relating to vacation and sick leave:

Permanent employees shall earn vacation and sick leave. An employee shall be authorized annual leave in the following manner, effective with his/her anniversary date:

Years of Service	Annual Leave
Less than 1 year	0 work days
1-5 years	10 work days
6-15 years	15 work days
16-25 years	20 work days
26 or more years	25 work days

Unpaid vacation leave can only be carried to the following calendar year when an employee is denied part of his leave because of an emergency.

Sick leave shall be earned at the rate of 1 day per month, up to 12 days per year. An employee may accrue up to 120 days of sick leave.

No liability has been recorded for compensated absences on the financial statements because the amount is immaterial.

M. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the Enterprise Fund.

O. FUND EQUITY

Reserves represent those portions of fund equity legally segregated for a specified future use.

P. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make certain estimates and assumptions. These estimates affect the reported amounts of assets and liabilities.

WATERBORO DISTRICT NO. 3 OF THE
PARISH OF ST. BERRY, STATE OF LOUISIANA

Notes to the Financial Statements (Continued)
May 31, 2001

2. **CASH AND CASH EQUIVALENTS**

At May 31, 2001, the district has cash and cash equivalents (book balances) totaling \$764,300, as follows:

Demand deposits	\$ 4,344
Interest-bearing demand deposits	129,791
Time deposits	<u>630,165</u>
Total	<u>\$ 764,300</u>

The deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At May 31, 2001, the district has \$774,062 in deposits (pledged bank balances). These deposits are secured from risk by \$264,445 of federal deposit insurance and \$2,489,569 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 30:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

3. **RECEIVABLES**

The district records water sales revenue in the month the services are rendered. At May 31, 2001, accounts receivable were recorded as \$83,473.

The financial statements contain no allowance for uncollectible accounts receivable. Based on the opinion of management, receivables are collectible and possible bad debt losses are immaterial.

4. **DEBT FROM OTHER GOVERNMENTAL UNITS**

The water district purchased an office building on July 20, 1995. The water district paid the entire purchase price of \$45,000. Soon entered into an agreement to sell one-half interest in the building for \$22,500 to the St. Mary Parish Sewer District No. 3. The debt is to be repaid at \$200 per month at 6% interest beginning August 1, 1995 and ending July 1, 2005. The Sewer District paid off the loan in April, therefore, at May 31, 2001 the balance due from Sewer District No. 3 was \$ -0-.

5. **AD VALOREM TAXES**

The district's property tax is levied in October of each year on the assessed value of property within the District's taxing area. Taxes are due and payable by December 31. The taxes are delinquent on January 1, at which time an enforceable lien attaches to the property. The taxes are collected on behalf of the district by the Sheriff and then remitted to the district. Most of the taxes are actually received by the district in January and February. The tax rate for the year ended December 31, 2000 was 4.83 per \$1,000 for maintenance and operations and 3.98 per \$1,000 for bond and interest payments.

**WATERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA**

**Notes to Financial Statements (Continued)
May 31, 2001**

5. CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets:

	Balance May 31, 2000	Additions	Deductions	Balance May 31, 2001
Construction in Progress	\$ 338,081	\$ -	\$ 306,801	\$ -
Land	22,297	-	-	22,297
Water plant & lines prior to 8-1-70	1,418,204	-	-	1,418,204
New water treatment plant	1,713,480	1,728,040	-	3,441,520
New water lines and meters	3,843,715	8,987	-	3,852,702
Office building	89,834	-	-	89,834
Furniture & equipment	158,176	35,684	-	193,860
Trucks	48,824	12,738	-	61,562
Sub-total	6,804,281	1,775,511	306,801	8,272,991
Less accumulated depreciation	<u>(3,818,696)</u>	<u>(181,327)</u>	<u>-</u>	<u>(3,999,993)</u>
Total	\$ 2,985,574	\$ 1,594,184	\$ 306,801	\$ 4,886,057

Depreciation expense related to the utilization of fixed assets for the year ended May 31, 2001, is \$181,327.

7. LONG-TERM DEBT

The following is a summary of the District's long-term debt transactions for the year ended May 31, 2001:

	Public Improvement Bonds
Bonds Payable at June 1, 2000	\$ 2,085,000
Bonds called	-
Bonds retired	(80,000)
Bonds issued	-
Bonds Payable at May 31, 2001	<u>\$ 2,005,000</u>

Bonds payable at May 31, 2001 are comprised of the following individual issues:

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are:

\$400,000 Public Improvement Bonds, dated April 5, 1994, final maturity date April 1, 2003, interest rate 4.5%. Balance outstanding at May 31, 2001 was \$125,000.

WATERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA

Notes to Financial Statements (Continued)
May 31, 2001

The government also issues bonds when the government pledges income derived from the constructed assets to pay debt service. Revenue bonds outstanding are as follows:

\$455,000 Public Improvement Bonds, dated June 1, 1998, final maturity date April 1, 2010, interest rate 4.85%. Balance outstanding at May 31, 2001 was \$455,000.

\$1,000,000 Public Improvement Bonds, dated March 1, 2000, final maturity date March 1, 2020, interest rate 5.30% to 5.10%. Balance outstanding at May 31, 2001 was \$1,000,000.

The following is a schedule of future debt service requirements including interest of \$1,418,891 at May 31, 2001:

Year	Amount
2001	\$ 68,725
2002	258,458
2003	308,100
2004	248,411
2005	248,888
2006-2020	2,881,309
Total	\$3,882,891

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds and various other financial covenants. The district is substantially in compliance with all such significant limitations and restrictions.

The total amount of interest costs incurred and charged to expense during the period was \$45,156. The total amount of interest costs which have been capitalized during the period was \$99,937.

8. MONEY DEPOSITS

As authorized under Louisiana Revised Statutes, funds amounting to \$56,327 have been restricted in the Money Deposit Fund for the purchase of water meters. Funds in the amount of \$2,824 not available in restricted assets are recorded as payable from current assets.

9. PENSION PLAN

Plan Description. Substantially all employees of the St. Mary Parish Waterworks District are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the district are members of Plan B.

WATERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA

Notes to the Financial Statements (Continued)
May 31, 2001

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 62 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average salary in excess of \$ 500 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 50, with the basic benefit reduced 3 percent for each year retirement precedes age 62. In any case, monthly retirement benefits paid under Plan B cannot exceed the lesser of 100 percent of final-average salary or \$70 multiplied by total years of creditable service. Final-average salary is the employee's average salary over the 35 consecutive or joint months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the "Pension Employees' Retirement System," Post Office Box 14819, Baton Rouge, Louisiana 70809-4819, or by calling (504) 389-1381.

Funding Policy. Under Plan B, members are required by state statute to contribute 2.8 percent of their annual covered salary in excess of \$1,200 and the District is required to contribute an actuarially determined rate. The current rate is 2.5 percent of annual-covered payroll. Contributions to the System also include one-half of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B (based proportionately on the salaries of the active members of each plan). The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:1001, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System under Plan B for the years ending May 31, 2001, 2000, and 1999 were \$0,523, \$0,724, and \$0,958, respectively, equal to the required contributions for each year.

10. **ASSETS**

The district had no material capital or operating leases at May 31, 2001.

11. **LITIGATION**

There is no litigation pending against the district's office at May 31, 2001.

WATERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA

Notes to the Financial Statements (Continued)
May 31, 2001

12. MAJOR CUSTOMERS

During the year the district had two major customers, each of whose purchases exceeded 10% of total sales. Sales to these customers were as follows:

Cabot Corporation	\$ 144,070
Colombian Chemical Company	____67,633
Total	<u>\$ 211,703</u>

**SEWERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended May 31, 2001**

OPERATING EXPENSES

The schedule of operating expenses is presented in order to provide a detailed breakdown of operating expenses for the years ended May 31, 2001 and 2000. (Schedule 1)

BONDED INDEBTEDNESS

The schedules of bonded indebtedness are presented in order to provide a detail of future bond requirements for each bond issue. (Schedules 2, 3 and 4)

COMPENSATION PAID BOARD MEMBERS

A schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1879 Session of the Louisiana Legislature. Louisiana Revised Statute Section 5819 provides for each board member to receive a per diem not to exceed \$50 for each meeting they attend, up to and including 24 meetings each year and for each special meeting not to exceed 12 per year. The St. Mary Parish Water District No. 5 pays per diem of \$50 per meeting. (Schedule 5)

PRIOR AUDIT FINDINGS

The follow-up and administrative action taken on all prior audit findings is presented in the summary schedule of prior audit findings. (Schedule 6)

CURRENT AUDIT FINDINGS

The corrective action plan for current year audit findings is presented in Schedule 7.

**WATERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA**

PROPRIETARY FUND TYPE - ENTERPRISE FUND

Schedule of Operating Expenses
For the Years Ended May 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
OPERATING EXPENSES		
Personnel Services:		
Salaries	\$ 385,876	\$ 375,343
Hospitalization Insurance	45,708	38,780
Payroll taxes	31,888	29,077
Retirement	<u>8,223</u>	<u>8,721</u>
Total Personnel Services	<u>471,695</u>	<u>451,921</u>
Supplies and Materials:		
Chemicals	65,373	50,650
Office expense	8,217	6,078
Postage	<u>4,809</u>	<u>5,724</u>
Total Supplies and Materials	<u>78,399</u>	<u>62,452</u>
Other Services and Charges:		
Accounting fees	5,308	5,480
Board meetings	6,408	6,050
Consulting engineer	1,888	1,440
Dues and subscription	300	390
Education	1,888	848
Insurance-general	53,477	49,878
Maintenance-water system	96,851	57,124
Maintenance-water plant	24,818	25,530
Mapping Project	954	-
Miscellaneous	277	347
Professional Fees (State Cost)	4,529	7,118
Truck maintenance	13,044	7,893
Utilities	<u>78,889</u>	<u>82,889</u>
Total Other Services and Charges	<u>308,961</u>	<u>271,832</u>
Depreciation	<u>161,287</u>	<u>182,832</u>
TOTAL OPERATING EXPENSES	\$ 901,922	\$ 887,912

**WATERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA**

May 21, 2001

**Refunded Indebtedness
General Obligation Bonds
Dated April 1, 1994**

Maturity	Bond Number	Yearly Payments			Bonds Outstanding
		Principal	Interest	Total	
2004			2,842	2,842	125,000
2002	65 to 76	60,000	4,275	64,275	65,000
2005	77 to 98	85,000	1,463	86,463	-
Totals		\$145,000	\$ 6,580	\$151,580	

Original issue dated April 1, 1994, for \$445,000.

Paying Agent, St. Mary Bank & Trust Company, Franklin, Louisiana.

This obligation was incurred for the purpose of advance refunding the callable maturities of the bonds outstanding General Obligation Bonds, series 1983, which matures June 1, 1994 to June 1, 2003, inclusive, and for paying costs of issuance of the bonds. The Refunded Bonds are being refunded in order to reduce the annual debt service on the District's general obligation indebtedness and to produce present value savings.

The bonds are secured by a special tax to be imposed on all property subject to taxation within the territorial limits of Waterworks District No. 5 of the Parish of St. Mary, State of Louisiana, sufficient in amount to pay the principal of and interest and redemption premium, if any, on the bonds falling due each year.

All of the proceeds of the Refunded Bonds and the interest earnings thereon, have been applied to the purposes for which the Refunded Bonds were issued, including and requiring extensions and improvements to the waterworks system of the District.

The bonds shall not be callable for redemption prior to maturity.

WATERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA

May 31, 2003

Derived Incubation
General Obligation Bonds
Dated April 1, 1990

Maturity	Bond Numbers	Yearly Payments			Bonds Outstanding
		Principal	Interest	Total	
2001	B-3		10,813	10,813	490,000
2002	B-3	20,080	20,878	40,958	470,000
2003	B-4	40,080	19,708	59,788	370,000
2004	B-4	40,080	17,898	57,978	320,000
2005	B-5	50,080	14,760	64,840	280,000
2006	B-7	50,080	12,268	62,348	230,000
2007	B-8	50,080	9,843	59,923	180,000
2008	B-8	50,080	7,298	57,378	125,000
2009	B-10	60,080	4,807	64,887	65,000
2010	B-11	80,080	1,570	81,650	
TOTAL		\$390,080	\$118,820	\$508,900	

Original issue dated June 1, 1989, for \$480,000.
Paying Agent, Trust Company of Louisiana, Baton Rouge, Louisiana.

This obligation was incurred for the purpose of advance refunding \$375,080 of outstanding General Obligation Bonds, Dated April 1, 1988, maturing April 1, 2001 through April 1, 2010. The net proceeds of \$460,087 (after payment of \$12,303 in issuance costs) plus an additional \$10,000 of cost provided by the district was used to pay off the 1988 Series bonds on their call date of April 1, 2000.

The bonds are secured by a special tax to be imposed on all property subject to taxation within the territorial limits of Waterworks District No. 5 of the Parish of St. Mary, State of Louisiana, sufficient in amount to pay the principal and interest as they severally mature, with option of prior payment.

The bonds shall be callable for redemption in full at any time on or after April 1, 2006, or in part on any interest payment date on or after April 1, 2004, in the inverse order of their maturities.

**WATERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA**

May 31, 2021

**Fundus Indebtedness
General Obligation Bonds
Dated March 1, 2000**

Maturity	Days Numbers	Yields Characteristics			Parity Outstanding
		Principal	Interest	Total	
2001			\$0,000	\$0,000	1,800,000
2002	9-1	20,000	108,206	128,206	1,870,000
2003	9-2	20,000	107,460	127,460	1,800,000
2004	9-3	20,000	104,315	124,315	1,750,000
2005	9-4	20,000	99,850	119,850	1,670,000
2006	9-5	20,000	94,800	114,800	1,585,000
2007	9-6	20,000	89,850	109,850	1,495,000
2008	9-7	20,000	84,840	104,840	1,405,000
2009	9-8	20,000	79,780	99,780	1,315,000
2010	9-9	20,000	74,547	94,547	1,225,000
2011	9-10	20,000	69,038	89,038	1,125,000
2012	9-11	200,000	62,870	162,870	1,000,000
2013	9-12	200,000	57,395	167,395	900,000
2014	9-13	110,000	51,415	161,415	810,000
2015	9-14	120,000	44,800	164,800	680,000
2016	9-15	120,000	37,800	167,800	585,000
2017	9-16	130,000	30,250	160,250	495,000
2018	9-17	130,000	22,350	157,350	380,000
2019	9-18	140,000	13,878	153,878	180,000
2020	9-19	150,000	4,728	154,728	-
Totals		\$1,800,000	\$1,291,315	\$3,091,315	

Original issue dated March 1, 2000 for \$1,800,000,
Paying Agent, Sabine State Bank & Trust Company, Mary, Louisiana.

This obligation was incurred for the purpose of constructing and acquiring improvements to the waterworks plant and system for said Waterworks District No. 5 of the Parish of St. Mary, State of Louisiana, providing \$200,000 of funds to refund and amortize a like principal amount of an outstanding issue of Certificates of Indebtedness, Series 1985, maturing September 1, 2000 through September 1, 2020.

The bonds are secured by a special tax to be imposed on all property subject to taxation within the territorial limits of Waterworks District No. 5 of the Parish of St. Mary, State of Louisiana, sufficient in amount to pay the principal and interest as they severally mature, with option of prior payment.

The bonds shall be callable for redemption in full at any time on or after March 1, 2011, or in part on any interest payment date on or after March 1, 2010, in the income order of their maturities.

WATERWORKS DISTRICT NO. 8 OF THE
PARISH OF ST. MARY, STATE OF LOUISIANA.

Schedule of Compensation Paid Board Members
For the Year Ended May 31, 2011

Board Member	Months	Amount
Jack Montebello	14	\$ 700
Wayne Desbelle	14	700
Donald Harris	14	700
John L. Laporte, Jr.	15	750
H.A. Pardo	14	700
David F. Leblond	15	750
William Larsson, Jr.	13	<u>650</u>
Total		4,800
Jamie Miller (Superintendent)	14	700
Jan Smith (Sec./Treasurer)	12	600
Margie Lebrange (Sec./Treasurer)	3	<u>150</u>
Total Per Diem		<u>\$ 6,450</u>

WATERWORKS DISTRICT NO. 5 OF THE
PARISH OF ST. BERNARD, STATE OF LOUISIANA

Summary Schedule of Prior Audit Findings
For the Year Ended May 31, 2001

<u>Ref/No.</u>	<u>Fiscal Year Finding Initially Discovered</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
Section I - Internal Control and Compliance Material to the Financial Statements:				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Section II - Management Letter:				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Note: There were no prior year audit findings to be listed in this schedule.

**WATERBOGGS DISTRICT NO. 6 OF THE
PARISH OF ST. IBERY, STATE OF LOUISIANA**

**Management's Corrective Action Plan
for Current Year Audit Findings
For the Year Ended May 31, 2021**

Ref. No.	Description of Finding	Corrective Action Proposed	Name of Control Person(s)	Anticipated Completion Date
Section I - Internal Control and Compliance Material to the Financial Statements:				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Section II - Management Letter:				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Note: There are no current year audit findings or management letter comments to be included in this schedule.

**Independent Auditor's Report Required
by Governmental Accounting Standards**

318 - 608-6712
FAX 318 - 608-6701

**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 Board of Directors of
Waterworks District No. 5 of the
Parish of St. Mary, State of Louisiana
Covington, LA 70022

We have audited the general purpose financial statements of the Waterworks District No. 5 as of and for the year ended May 31, 2011 and have issued our report thereon dated October 25, 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.

Compliance

As part of obtaining reasonable assurance about whether the Waterworks District No. 5's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, agreements with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 non-compliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Waterworks District No. 5's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our 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 sufficiently 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Waterworks District's board, St. Mary Parish Council and the Legislative Auditor and is not intended to be used or should not be used by anyone other than those specified parties.

Griffin & Champain, CPAs
Certified Public Accountants

Birmingham, Louisiana
October 25, 2011

Data Collection Form

