

REC'D  
COMM

03 03 21

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

**Financial Statements**

**Year Ended May 31, 2020**

Under provisions of state law, this report is a public document. Copies of this 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 11-26-20

## TABLE OF CONTENTS

|   | <u>PAGE</u> |
|---|-------------|
| Independent Auditors' Report  | 1-2         |
| Financial Statements:   |             |
| Balance Sheets  | 3-4         |
| Statements of Revenues, Expenses, and Changes<br>in Net Assets  | 5           |
| Statements of Cash Flows  | 6-7         |
| Notes to the Financial Statements   | 8-15        |
| <b>SUPPLEMENTAL INFORMATION (SCHEDULES)</b>   | <b>16</b>   |
| Schedules of Operating Expenses (Schedule 1)  | 17          |
| Bonded Indebtedness General Obligation Bonds,<br>Dated April 1, 1998 (Schedule 2)   | 18          |
| Bonded Indebtedness Revenue Bonds,<br>Dated March 1, 2000 (Schedule 3)  | 19          |
| Schedule of Compensation Paid Board<br>Members (Schedule 4)   | 20          |
| Summary Schedule of<br>Prior Audit Findings (Schedule 5)  | 21          |
| Management's Corrective Action Plan for<br>Current Year Audit Findings (Schedule 6)   | 22          |
| <b>INDEPENDENT AUDITORS' REPORT REQUIRED BY<br/>GOVERNMENTAL AUDITING STANDARDS</b>   | <b>23</b>   |
| Report on Compliance and on Internal Control<br>Over Financial Reporting Based on an Audit of<br>Financial Statements Performed in Accordance<br>With Government Auditing Standards | 24          |

**GUIDRY, CHAUVIN & TAYLOR**

CERTIFIED PUBLIC ACCOUNTANTS  
& PROFESSIONAL ACCOUNTING CORPORATION  
P. O. BOX 1026 • 604 1/2 MAIN STREET  
FRANKLIN, LOUISIANA 70541

507 - 568-6474  
FAX 507 - 568-6282

**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying 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, 2003, as listed in the table of contents. These 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 opinions on these 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. 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Waterworks District No. 5 of the Parish of St. Mary, State of Louisiana as of May 31, 2003, and the respective changes in financial position and cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

For the year ended May 31, 2003 the Waterworks District No. 5 has implemented GASS Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. GASS Statement No. 34 creates new basic financial statements for reporting on the Waterworks District No. 5's financial activities. The financial statements now include government - wide financial statements prepared on the accrual basis of accounting, and fund financial statements which presents information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The Waterworks District No. 5 also implemented GASS Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Circular No. 38, Certain Financial Statements Note Disclosures*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2003, 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.

The Waterworks District No. 3 has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Waterworks District No. 3's basic financial statements. The accompanying financial information listed as "other supplementary information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the financial statements of the Waterworks District No. 3.

*Quality, Charlene Taylor*  
Certified Public Accountant

Franklin, Louisiana  
November 4, 2022

WATERWORKS DISTRICT NO. 6 OF THE  
PARISH OF ST. MARY, STATE OF LOUISIANA

Balance Sheets  
May 31, 2003 and 2002

| <u>ASSETS</u>  | <u>2003</u>         | <u>2002</u>         |
|--|---------------------|---------------------|
| <b>Current Assets:</b>   |                     |                     |
| Cash   | \$ 328,020          | \$ 406,895          |
| Accounts receivable-water billings   | 100,684             | 83,238              |
| Interest receivable  | 67                  | 144                 |
| Prepaid expenses   | <u>33,383</u>       | <u>27,819</u>       |
| Total Current Assets   | <u>492,154</u>      | <u>518,116</u>      |
| <b>Non-Current Assets:</b>   |                     |                     |
| Deferred charges - Unamortized bond<br>issue cost                                    | <u>24,838</u>       | <u>28,518</u>       |
| Total Non-Current Assets   | <u>24,838</u>       | <u>28,518</u>       |
| <b>Restricted Assets:</b>  |                     |                     |
| <b>Water Deposit Fund:</b>   |                     |                     |
| Cash   | 50,818              | 68,317              |
| Interest receivable  | 394                 | 490                 |
| <b>Sinking Fund for Public Improvement Bonds:</b>                                    |                     |                     |
| Cash   | 8,852               | 8,242               |
| Interest receivable  | 13                  | -                   |
| <b>Capital Additions &amp; Contingencies Fund</b>                                    |                     |                     |
| Cash   | 21,880              | 28,040              |
| Interest receivable  | <u>12</u>           | <u>57</u>           |
| Total Restricted Assets  | <u>121,981</u>      | <u>106,052</u>      |
| <b>Waterworks Systems, Plant and Equipment<br/>(net of accumulated depreciation)</b> | <u>4,718,485</u>    | <u>4,828,479</u>    |
| <b>TOTAL ASSETS</b>  | <u>\$ 5,343,404</u> | <u>\$ 5,381,165</u> |

| <u>LIABILITIES AND FUND EQUITY</u>                           | <u>2003</u>                | <u>2002</u>                |
|--|----------------------------|----------------------------|
| <b>Current Liabilities:</b>                                  |                            |                            |
| Payable from current assets:                                 |                            |                            |
| Accounts payable   | \$ 8,402                   | \$ 1,052                   |
| Accrued expense  | 4,518                      | 1,937                      |
| Water meter deposits   | <u>173</u>                 | <u>1,947</u>               |
| Total payable from current assets                            | <u>13,093</u>              | <u>4,936</u>               |
| <b>Current Liabilities - Payable from Restricted Assets:</b> |                            |                            |
| Sinking Fund for Public Improvement                          |                            |                            |
| Bonds:   |                            |                            |
| Bonds payable within one year                                | 120,000                    | 146,268                    |
| Interest payable   | 22,780                     | 21,510                     |
| Water meter deposits   | <u>60,189</u>              | <u>50,733</u>              |
| Total payable from restricted assets                         | <u>202,969</u>             | <u>228,511</u>             |
| <b>Total Current Liabilities</b>                             | <b>214,062</b>             | <b>234,479</b>             |
| <b>Long-term Liabilities:</b>                                |                            |                            |
| Bonds Payable  | <u>2,846,000</u>           | <u>2,710,000</u>           |
| <b>Total Liabilities</b>                                     | <b><u>2,844,000</u></b>    | <b><u>2,434,079</u></b>    |
| <b>Net Assets</b>  |                            |                            |
| Investments in capital assets, net of related debt           | 2,826,464                  | 2,669,479                  |
| Unrestricted   | <u>427,857</u>             | <u>427,780</u>             |
| Total Retained Earnings                                      | <u>3,026,321</u>           | <u>3,127,259</u>           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                      | <b><u>\$ 3,240,404</u></b> | <b><u>\$ 3,261,338</u></b> |

See accompanying notes to financial statements.

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

Statements of Revenues, Expenses, and Changes in Net Assets  
For the Years Ended May 31, 2003 and 2002

|  | <u>2003</u>        | <u>2002</u>        |
|--|--------------------|--------------------|
| <b>Operating Revenues</b>                |                    |                    |
| Charges for services:                    |                    |                    |
| Water sales                              | \$ 440,587         | \$ 440,710         |
| Service fees                             | 32,498             | 30,498             |
| Late payment fees                        | 9,073              | 8,881              |
| Collection fees                          | <u>13,975</u>      | <u>13,388</u>      |
| Total Operating Revenues                 | <u>506,133</u>     | <u>493,477</u>     |
| <b>Operating Expenses</b>                |                    |                    |
| Personnel services and related benefits  | 357,771            | 392,549            |
| Supplies and materials                   | 80,112             | 83,877             |
| Other services and charges               | 276,482            | 282,332            |
| Depreciation                             | <u>215,082</u>     | <u>214,738</u>     |
| Total Operating Expenses                 | <u>929,447</u>     | <u>973,496</u>     |
| <b>Income (Loss) From Operations</b>     | <u>(423,314)</u>   | <u>(480,019)</u>   |
| <b>Non-operating Revenues (Expenses)</b> |                    |                    |
| Ad valorem taxes - maintenance           | 268,688            | 264,607            |
| Ad valorem taxes - debt retirement       | 219,532            | 175,854            |
| State revenue sharing                    | 6,031              | 7,823              |
| Investment income                        | 5,513              | 15,829             |
| Gain on sale of assets                   | -                  | 2,112              |
| Miscellaneous income                     | 1,040              | 2,894              |
| Bond interest                            | (130,345)          | (135,227)          |
| Intergovernmental Agreement              | <u>(14,040)</u>    | <u>(13,820)</u>    |
| Total Non-operating Revenues (Expenses)  | <u>346,039</u>     | <u>281,052</u>     |
| <b>Change in Net Assets</b>              | <u>(77,275)</u>    | <u>(198,967)</u>   |
| <b>Net Assets, Beginning of Year</b>     | <u>3,127,289</u>   | <u>3,326,256</u>   |
| <b>Net Assets, End of Year</b>           | <u>\$2,355,014</u> | <u>\$3,127,289</u> |

See accompanying notes to financial statements.

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

Statements of Cash Flows  
For the Years Ended May 31, 2003 and 2002

|  | <u>2003</u>       | <u>2002</u>       |
|--|-------------------|-------------------|
| <b>Cash Flows From Operating Activities:</b>                     |                   |                   |
| Receipts from customers and users                                | \$ 481,080        | \$ 481,448        |
| Payments to suppliers for goods and services                     | (351,068)         | (488,737)         |
| Payments to employees for services                               | (305,180)         | (387,248)         |
| Other  | 927               | 1,891             |
| Net cash provided (used) in operating activities                 | <u>(235,050)</u>  | <u>(393,646)</u>  |
| <b>Cash Flows From Noncapital Financing Activities:</b>          |                   |                   |
| Advances from  | 474,037           | 381,481           |
| State revenue sharing  | 8,831             | 7,923             |
| Miscellaneous income   | 1,048             | 3,884             |
| Net cash provided (used) in noncapital financing activities      | <u>483,916</u>    | <u>393,288</u>    |
| <b>Cash Flows From Capital and Related Financing Activities:</b> |                   |                   |
| Acquisition and construction of capital assets                   | (24,088)          | (83,120)          |
| Interest received on restricted funds                            | 1,830             | 4,508             |
| Principal paid on general obligation bonds                       | (148,000)         | (135,000)         |
| Interest paid on general obligation bonds                        | (138,343)         | (135,387)         |
| Intergovernmental agreement                                      | (14,848)          | (15,000)          |
| Proceeds from sale of asset                                      | .                 | 6,132             |
| Net cash flows used by capital and related financing activities  | <u>(317,449)</u>  | <u>(308,467)</u>  |
| <b>Cash Flows From Investing Activities:</b>                     |                   |                   |
| Interest earned on operating funds                               | 3,583             | 11,323            |
| Net cash provided by investing activities                        | <u>3,583</u>      | <u>11,323</u>     |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>      | <u>(60,987)</u>   | <u>(234,878)</u>  |
| <b>Cash and cash equivalents at May 31, 2002</b>                 | <u>813,404</u>    | <u>748,282</u>    |
| <b>Cash and cash equivalents at May 31, 2003</b>                 | <u>\$ 448,587</u> | <u>\$ 513,404</u> |
| <b>Cash and - Cash Equivalents:</b>                              |                   |                   |
| Unrestricted   | \$ 328,030        | \$ 488,858        |
| Restricted - Meter Deposit                                       | 88,815            | 88,317            |
| Restricted - Sinking Fund  | 8,882             | 9,248             |
| Restricted - Capital Advances                                    | 21,860            | 20,640            |
|  | <u>\$ 448,587</u> | <u>\$ 607,063</u> |

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

Statements of Cash Flows (Continued)  
For the Years Ended May 31, 2003 and 2002

|   | <u>2003</u>                | <u>2002</u>                |
|---|----------------------------|----------------------------|
| <b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>        |                            |                            |
| Operating Income (Loss)   | <u>\$ (424,215)</u>        | <u>\$ (480,215)</u>        |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                            |                            |
| Depreciation Expense  | 215,000                    | 214,700                    |
| (Increase) decrease in accounts receivable  | (21,848)                   | 225                        |
| (Increase) decrease in interest receivable  | 0                          | 1,873                      |
| (Increase) decrease in unamortized bond issue costs   | 15,074                     | 3,075                      |
| (Increase) decrease in prepaid expenses   | 3,877                      | 586                        |
| Increase (decrease) in accounts payable   | 7,340                      | (57,482)                   |
| Increase (decrease) in accrued expenses   | 2,582                      | 189                        |
| Increase (decrease) in water meter deposits   | (575)                      | (1,767)                    |
| Increase (decrease) in due to other gov't agencies  | -                          | (16,188)                   |
| Increase (decrease) in restricted interest payable  | (1,125)                    | 269                        |
| Increase (decrease) in restricted water meter deposits  | 3,462                      | -                          |
| Total adjustments   | <u>201,118</u>             | <u>143,399</u>             |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <u><b>\$ (223,097)</b></u> | <u><b>\$ (336,817)</b></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, 2003**

**INTRODUCTION**

Waterworks District No. 5 of the Parish of St. Mary, State of Louisiana was created by Ordinance No. 585 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 who are appointed by the St. Mary Parish Council. The board meets each month on the first Tuesday of the waterworks district office. The members receive a per diem of \$50 for each meeting attended. At May 31, 2003, there were approximately 1,840 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 that 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 District has implemented GASB Statement No. 34, *Basic Financial Statements - And Management's Discussion and Analysis - For State and Local Governments*. 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

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

Notes to the Financial Statements (Continued)  
May 31, 2000

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:

**Revenues:** Water sales and service and collection 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**

Encumbrance 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 not 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. Those not 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 in advance for services that will benefit periods beyond May 31, 2000, are recorded as prepaid expenses. At May 31, 2000, prepaid expenses were recorded as \$10,553.

**I. RESTRICTED ASSETS**

Certain proceeds of enterprise fund bonds, as well as certain resources set aside for their repayment, 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 set aside to meet unexpected 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.

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

Notes to the Financial Statements (Continued)  
May 31, 2003

**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 listed on the estimated useful lives of the various assets as follows:

|                               |               |
|-------------------------------|---------------|
| Water plants, lines and mains | 8 – 30 years  |
| Office building               | 20 – 30 years |
| Furniture and equipment       | 8 – 10 years  |
| Trucks                        | 5 years       |

Depreciation amounted to \$215,082 and \$214,780 for the years ended May 31, 2003 and 2002, respectively.

**K. 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 FAS-34 (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.

**M. 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:

| <u>Years of Service</u> | <u>Annual Leave</u> |
|-------------------------|---------------------|
| Less than 1 year        | 0 workdays          |
| 1-5 years               | 10 workdays         |
| 6-10 years              | 15 workdays         |
| 11-20 years             | 20 workdays         |
| 21 or more years        | 25 workdays         |

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

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

Notes to the Financial Statements (Continued)  
May 31, 2003

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 100 days of sick leave.

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

**H. LONG-TERM LIABILITIES**

Long-term liabilities are recognized within the Enterprise Fund.

**I. FUND EQUITY**

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

**F. ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**G. RISK MANAGEMENT**

The District is exposed to various risks of loss from theft, theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice claims and judgments. Commercial insurance is purchased for claims arising from each matter.

**2. CASH AND CASH EQUIVALENTS**

At May 31, 2003, the district has cash and cash equivalents (bank balances) totaling \$440,557 as follows:

|                                  |                   |
|----------------------------------|-------------------|
| Demand deposits                  | \$ 8,007          |
| Interest-bearing demand deposits | 190,570           |
| Time deposits                    | <u>241,980</u>    |
| Total                            | <u>\$ 440,557</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, 2003, the district has \$440,570 in deposits (collected bank balances). These deposits are secured from risk by \$200,240 of federal

**WATERWORKS DISTRICT NO. 6 OF THE  
PARISH OF ST. BERRY, STATE OF LOUISIANA**

**Notes to the Financial Statements (Continued)  
May 31, 2000**

deposit insurance and \$1,150,378 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAAP Category 2).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 38:1229 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, 2000, accounts receivable were recorded as \$700,884.

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. 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 3.95 per \$1,000 for bond and interest payments.

**5. CHANGES IN GENERAL FIXED ASSETS**

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

|                                     | Balance<br>May 31,<br>2000 | Additions         | Deductions       | Balance<br>May 31,<br>2000 |
|-------------------------------------|----------------------------|-------------------|------------------|----------------------------|
| Construction in Progress            | \$ 41,280                  | \$ 11,870         | \$ 52,870        | \$ -                       |
| Land                                | 22,237                     | -                 | -                | 22,237                     |
| Water plant & lines prior to 6-1-75 | 1,418,224                  | -                 | -                | 1,418,224                  |
| New water treatment plant           | 3,442,580                  | 75,208            | -                | 3,517,788                  |
| New water lines and mains           | 3,054,739                  | -                 | -                | 3,054,739                  |
| Office building                     | 89,634                     | -                 | -                | 89,634                     |
| Furniture & equipment               | 170,569                    | -                 | -                | 170,569                    |
| Trucks                              | 47,480                     | -                 | -                | 47,480                     |
| Sub-Total                           | 8,204,899                  | 86,878            | 52,870           | 8,238,907                  |
| Less accumulated depreciation       | <u>(7,368,379)</u>         | <u>(215,882)</u>  | -                | <u>(7,584,261)</u>         |
| Total                               | <u>\$ 4,836,520</u>        | <u>\$ 170,996</u> | <u>\$ 52,870</u> | <u>\$ 4,718,656</u>        |

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

Notes to the Financial Statements (Continued)  
May 31, 2003

Depreciation expense related to the utilization of fixed assets for the year ended May 31, 2003, is \$270,892.

9. LONG-TERM DEBT

The following is a summary of the District's long-term debt transactions for the year ended May 31, 2003:

|                               | <u>Public<br/>Improvement<br/>Bonds</u> |
|-------------------------------|---|
| Bonds payable at June 1, 2002 | \$ 2,550,000                            |
| Bonds called                  | -                                       |
| Bonds matured                 | (140,800)                               |
| Bonds issued                  | -                                       |
| Bonds payable at May 31, 2003 | <u>\$ 2,409,200</u>                     |

Bonds payable at May 31, 2003 are comprised of the following individual issues:

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

\$400,000 Public Improvement Bonds, dated June 1, 1999, final maturity date April 1, 2010, interest rate 4.85%. Balance outstanding at May 31, 2003 was \$375,000.

\$1,860,000 Public Improvement Bonds, dated March 1, 2000, final maturity date March 1, 2020, interest rate 5.30% to 6.10%. Balance outstanding at May 31, 2003 was \$1,835,000.

The following is a schedule of future debt service requirements including interest of \$1,140,778 at May 31, 2003:

| <u>Year</u> | <u>Amount</u>       |
|-------------|---------------------|
| 2003        | \$ 62,371           |
| 2004        | 248,811             |
| 2005        | 249,480             |
| 2006        | 242,290             |
| 2007        | 238,880             |
| 2008-2020   | <u>2,219,446</u>    |
| Total       | <u>\$ 3,269,178</u> |

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

Notes to the Financial Statements (Continued)  
May 31, 2023

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 minimum revenue bond coverage. 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 \$130,243. The total amount of interest costs capitalized during the period was \$0.

7. METER DEPOSITS

As authorized under Louisiana Revised Statutes, funds amounting to \$66,199 have been restricted in the Meter Deposit Fund for the purchase of water meters. Funds in the amount of \$172 not available in restricted assets are recorded as payable from current assets.

8. PENSION PLAN

**Plan Description:** Substantially all employees of the St. Mary Parish Waterworks District are members of the Periodical 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.

All permanent employees working at least 26 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 or at or after age 58 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 \$100 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 60, 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 36 consecutive or joined 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 Periodical Employees' Retirement System, Post Office Box 14876, Baton Rouge, Louisiana 70804-4876, or by calling (504) 325-1361.

**Funding Policy:** Under Plan B, members are required by state statute to contribute 3.0 percent of their annual covered salary in excess of \$1,200 and the District is required to contribute at an actuarially determined rate. The current rate is 3.75 percent of annual covered payroll.

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

Notes to the Financial Statements (Continued)  
May 31, 2003

Contributions to the System also include one-fifth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes imposed 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 11:100, 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, 2003, 2002, and 2001 were \$8,891, \$8,295, and \$8,233, respectively, equal to the required contributions for each year.

9. LEASES

The district had no material capital or operating leases as of May 31, 2003.

10. LITIGATION

There is no litigation pending against the district's office as of May 31, 2003.

11. MAJOR CUSTOMERS

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

|                            |                   |
|----------------------------|-------------------|
| Catco Corporation          | \$ 100,719        |
| Columbian Chemical Company | <u>63,084</u>     |
| Total                      | <u>\$ 163,803</u> |

12. JOINT VENTURE

During the year the District entered into a local service/cooperative endeavor agreement with the Sewer District No. 3 and the Fire Protection District No. 2 to jointly construct a multi-purpose building. The ownership interest is based on the following percentages: Water District No. 5 - 17%, Sewer District No. 3 - 17%, and Fire Protection District No. 2 - 66%. The estimated total cost of the building is \$685,000 which will be funded by a \$500,000 grant from the State of Louisiana to the St. Mary Parish Government. The remaining balance will be funded by each District based on their ownership percentages. Each District shall be responsible for maintenance of their respective portions of the multi-purpose building. Maintenance of the grounds and common areas shall be shared by the Districts.

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

**Supplemental Information Schedules  
For the Year Ended May 31, 2002**

**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, 2003 and 2002. (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 and 3)

**COMPENSATION PAID BOARD MEMBERS**

A schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 24 of the 1979 Session of the Louisiana Legislature. Louisiana Revised Statute Section 3819 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 4)

**PRIOR AUDIT FINDINGS**

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings. (Schedule 5)

**CURRENT AUDIT FINDINGS**

The corrective action plan for current year audit findings is presented in Schedule 6.

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, 2003 and 2002

|   | <u>2003</u>       | <u>2002</u>       |
|---|-------------------|-------------------|
| <b>OPERATING EXPENSES</b>               |                   |                   |
| <b>Personal Services:</b>               |                   |                   |
| Salaries                                | \$ 308,841        | \$ 307,891        |
| Hospitalization insurance               | 58,838            | 53,222            |
| Payroll taxes                           | 21,568            | 23,521            |
| Retirement                              | <u>8,823</u>      | <u>8,258</u>      |
| <b>Total Personal Services</b>          | <u>398,070</u>    | <u>392,892</u>    |
| <b>Supplies and Materials:</b>          |                   |                   |
| Chemicals                               | 57,804            | 73,118            |
| Office expense                          | 8,458             | 7,884             |
| Postage                                 | <u>8,792</u>      | <u>4,877</u>      |
| <b>Total Supplies and Materials</b>     | <u>75,054</u>     | <u>85,880</u>     |
| <b>Other Service and Charges:</b>       |                   |                   |
| Accounting fees                         | 8,800             | 8,330             |
| Board meetings                          | 7,500             | 8,800             |
| Consulting engineer                     | 1,244             | 5,860             |
| Dues and subscriptions                  | 250               | 328               |
| Education                               | 3,888             | 3,805             |
| Insurance-general                       | 58,510            | 54,878            |
| Maintenance-water system                | 53,381            | 44,152            |
| Maintenance-water plant                 | 58,747            | 48,289            |
| Mapping Project                         | 887               | 840               |
| Miscellaneous                           | 1,885             | 821               |
| Professional Fees (Band Cost)           | 4,129             | 4,829             |
| Truck maintenance                       | 12,760            | 8,275             |
| Utilities                               | <u>68,922</u>     | <u>77,680</u>     |
| <b>Total Other Services and Charges</b> | <u>378,462</u>    | <u>362,732</u>    |
| <b>Depreciation</b>                     | <u>215,082</u>    | <u>214,738</u>    |
| <b>TOTAL OPERATING EXPENSES</b>         | <u>\$ 996,617</u> | <u>\$ 953,382</u> |

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

May 21, 2003

Secured Indebtedness  
General Obligation Bonds  
Dated April 1, 1999

| Maturity      | Bond<br>Numbers | Years Payment    |                 |                  | Bonds<br>Outstanding |
|---------------|-----------------|------------------|-----------------|------------------|----------------------|
|               |                 | Principal        | Interest        | Total            |                      |
| 2003          | R-4             |                  | 9,094           | 9,094            | 375,000              |
| 2004          | R-8             | 48,000           | 17,080          | 65,080           | 590,000              |
| 2005          | R-8             | 50,000           | 14,790          | 64,790           | 280,000              |
| 2006          | R-7             | 50,000           | 12,380          | 62,380           | 230,000              |
| 2007          | R-8             | 50,000           | 9,940           | 59,940           | 180,000              |
| 2008          | R-8             | 50,000           | 7,590           | 57,590           | 120,000              |
| 2009          | R-10            | 50,000           | 4,937           | 54,937           | 80,000               |
| 2010          | R-11            | 50,000           | 1,570           | 51,570           | —                    |
| <b>Totals</b> |                 | <b>\$328,000</b> | <b>\$70,877</b> | <b>\$398,877</b> |                      |

Original issue dated June 1, 1999, for \$480,000.

Paying Agent, Trust Company of Louisiana, Metairie, Louisiana.

This obligation was incurred for the purpose of advance refunding \$375,000 of outstanding General Obligation Bonds, Dated April 1, 1999, maturing April 1, 2001 through April 1, 2010. The net proceeds of \$480,000 (after payment of \$10,313 in issuance costs) plus an additional \$110,000 of cash provided by the district was used to pay off the 1999 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, 2003, or in part on any interest payment date on or after April 1, 2004, in the inverse order of their maturities.

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

May 31, 2009

Bonded Indebtedness  
General Obligation Bonds  
Dated March 1, 2000

| Maturity      | Bond<br>Numbers | Years Payments     |                    |                    | Bonds<br>Outstanding |
|---------------|-----------------|--------------------|--------------------|--------------------|----------------------|
|               |                 | Principal          | Interest           | Total              |                      |
| 2003          | R-2             |                    | 53,277             | 53,277             | 1,805,000            |
| 2004          | R-3             | 80,000             | 104,315            | 184,315            | 1,755,000            |
| 2005          | R-4             | 80,000             | 98,895             | 178,895            | 1,870,000            |
| 2006          | R-5             | 80,000             | 94,882             | 174,882            | 1,888,000            |
| 2007          | R-6             | 80,000             | 88,860             | 178,860            | 1,498,000            |
| 2008          | R-7             | 80,000             | 84,840             | 174,840            | 1,408,000            |
| 2009          | R-8             | 80,000             | 78,285             | 158,285            | 1,315,000            |
| 2010          | R-9             | 80,000             | 71,547             | 151,547            | 1,220,000            |
| 2011          | R-10            | 80,000             | 68,038             | 148,038            | 1,125,000            |
| 2012          | R-11            | 100,000            | 62,870             | 162,870            | 1,025,000            |
| 2013          | R-12            | 100,000            | 57,385             | 157,385            | 920,000              |
| 2014          | R-13            | 110,000            | 51,415             | 161,415            | 810,000              |
| 2015          | R-14            | 120,000            | 44,800             | 164,800            | 690,000              |
| 2016          | R-15            | 120,000            | 37,685             | 167,685            | 565,000              |
| 2017          | R-16            | 130,000            | 30,235             | 160,235            | 430,000              |
| 2018          | R-17            | 135,000            | 22,580             | 157,580            | 280,000              |
| 2019          | R-18            | 145,000            | 15,875             | 158,875            | 195,000              |
| 2020          | R-19            | 150,000            | 4,720              | 158,720            | -                    |
| <b>Totals</b> |                 | <b>\$1,800,000</b> | <b>\$1,007,990</b> | <b>\$2,807,990</b> |                      |

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 securing improvements to the waterworks plant and system for said Waterworks District No. 3 of the Parish of St. Mary, State of Louisiana, providing \$400,000 of funds to refund and refinance a like principal amount of an outstanding issue of Certificates of Indebtedness, Series 1998, maturing September 1, 2000 through September 1, 2005.

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. 3 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 inverse 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, 2003

| Board Member                  | Number     | Amount        |
|-------------------------------|------------|---------------|
| Jack Donatoletto              | 18         | \$ 500        |
| Wayne Desaltes                | 2          | 100           |
| Donald Hahn                   | 18         | 500           |
| John L. Lapsunik, Jr.         | 3          | 150           |
| H.A. Pinho                    | 17         | 800           |
| David Franklin                | 17         | 800           |
| William Landree, Jr.          | 18         | 700           |
| Wesley Simonsaux              | 14         | 700           |
| Wendell Hogan                 | <u>12</u>  | <u>500</u>    |
| Total                         | 118        | 5,800         |
| Janis Miller (Superintendent) | 18         | 800           |
| Jan Smith (Sec./Treasurer)    | <u>18</u>  | <u>800</u>    |
| Total Per Clerk               | <u>150</u> | <u>67,500</u> |

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

Summary Schedule of Prior Audit Findings  
For the Year Ended May 31, 2003

| <u>Ref. No.</u> | <u>Fiscal Year<br/>Finding<br/>Initially<br/>Occurred</u> | <u>Description<br/>of Finding</u> | <u>Corrective<br/>Action Taken<br/>(Yes, No<br/>Partially)</u> | <u>Planned Corrective<br/>Action/Partial<br/>Corrective<br/>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.

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

Schedule 6

Management's Corrective Action Plan  
for Current Year Audit Findings  
For the Year Ended May 31, 2000

| <u>Ref. No.</u> | <u>Description<br/>of Finding</u> | <u>Corrective<br/>Action Planned</u> | <u>Name of<br/>Contact<br/>Personnel</u> | <u>Anticipated<br/>Completion Date</u> |
|-----------------|-----------------------------------|--------------------------------------|--|--|
|-----------------|-----------------------------------|--------------------------------------|--|--|

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 Auditing Standards**

## GUIERY, CHALVIN & TAYLOR

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ACCOUNTING CORPORATION  
P. O. BOX 1008 - 1010 MAIN STREET  
MONROE, LOUISIANA 70001

MEMBER OF  
MEMBER FIRM OF  
DELOITTE TOUGHER PENCE  
& ERNST & YOUNG LLP  
SERVING PUBLIC ACCOUNTANTS

507 - 558-0070  
FAX: 507 - 558-0061

### 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  
Centerville, LA 70522

We have audited the financial statements of the Waterworks District No. 5 as of and for the year ended May 31, 2008, and have issued our report thereon dated November 4, 2008. 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.

#### Scope

As part of obtaining reasonable assurance about whether the Waterworks District No. 5's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance 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 noncompliance 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 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 relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 and should not be used by anyone other than these specified parties.

*Guery, Chalvin & Taylor*  
Certified Public Accountants

Monroe, Louisiana  
November 4, 2008