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WATERWORKS DISTRICT NO. 2
 OF IBERVILLE PARISH

REPORT ON AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS
 OCTOBER 31, 1992

ST. GABRIEL, LOUISIANA

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the State Revenue Office of the Legislative Auditor and, where appropriate, at the office of municipal clerk of court.

Release Date 5/7/03

PATRICIA LEGO LEWIS
 CERTIFIED PUBLIC ACCOUNTANT

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March 15, 2003

Independent Auditor's Report

Board of Commissioners
Waterworks District No. 2
of Iberville Parish
St. Gabriel, Louisiana

I have audited the accompanying component unit only financial statements of the Waterworks District No. 2 of Iberville Parish, Louisiana, a component unit of the Iberville Parish Council, as of and for the years ended October 31, 2002 and 2001. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the component unit financial statements referred to in paragraph one present fairly, in all material respects, the financial position of the Waterworks District No. 2 of Iberville Parish, operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

As described in Note 1 to the basic financial statements, the Waterworks District No. 2 adopted the provisions of the Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments.

Waterworks District No. 2
of Iberville Parish

In accordance with Government Auditing Standards, I have also issued my report dated March 15, 2005 on my consideration of Waterworks District No. 2 of Iberville Parish, Louisiana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of the audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express an opinion on it.

The audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The supplementary information and schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the component unit financial statements of Waterworks District No. 2 of Iberville Parish, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements, and in my opinion, the information is fairly stated in all material respects in relation to the component unit financial statements taken as a whole.

As discussed in Note 6 to the financial statements, Waterworks District No. 2 of Iberville Parish has been named as defendant in an action for recovery of damages. It is not possible at present for the District to predict the outcome or the range of potential loss, if any, that might result from the action. No provision for any liability that may result has been made in the financial statements.


Patricia Logo Lewis, CPA
Bossier Parish, LA 70094

Waterworks District No. 2 of Berville Parish

Management's Discussion and Analysis

As financial management of the Waterworks District No. 2 of Berville Parish, we offer readers of this financial statement an overview and analysis of the financial activities of the Organization. This narrative is designed to assist the reader in focusing on significant financial issues, identifying changes in the organization's financial position.

The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and current known facts. It should be read in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

Assets of Waterworks District No.2 of Berville Parish exceeded its liabilities at the close of the most recent fiscal year by \$2.7 million (net assets). Of this amount, \$0.8 million (unrestricted net assets) may be used to meet the Waterworks' ongoing obligations to customers and creditors.

The Waterworks total net assets increased by \$38.4 thousand during the current fiscal year as a result of operating revenues and interest income. At October 31, 2002, unreserved fund balance was \$1.8 million.

The Waterworks District No. 2 has only one fund to which all accounts are organized and accounted for as a separate entity. It is operated as an Enterprise Fund. The enterprise fund is accounted for on a cost of services or capital maintenance measurement basis. This means that all assets and all liabilities, current or noncurrent, associated with it's activity is included on it's balance sheet. The reported fund equity (net total assets) is segregated into contributed capital and retained earnings. Enterprise fund type operating statement present increases (revenues) and decreases (expenses) in net total assets.

The notes provide additional information to aid in a full understanding of the data provided in the financial statements. The notes are a required part of the basic financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This information is included for additional information and analysis and do not constitute a part of the audited financial statements.

FINANCIAL ANALYSES

**Waterworks District No. 2 of Iberville Parish
Condensed Statement of Net Assets
October 31, 2002**

Assets:	
Current and Other Assets	\$ 1,199,096
Restricted Assets	285,088
Capital Assets	<u>1,241,115</u>
Total Assets	<u>2,725,299</u>
Liabilities:	
Current Liabilities	<u>94,273</u>
Total Liabilities	<u>94,273</u>
Net Assets:	
Contributed Capital Assets	898,429
Unrestricted	<u>\$1,733,582</u>

**Waterworks District No. 2 of Iberville Parish
Condensed Statement of Changes in net Assets
For the Year Ended October 31, 2002**

Revenues:	
Water Sales	\$ 878,921
Penalty Charges	16,763
Service Charges	12,172
Water Line Lease	37,980
Miscellaneous	<u>111</u>
Total Revenues	<u>945,947</u>
Operating Expenses	<u>725,480</u>
Nonoperating Revenues	<u>17,341</u>
Increase in Net Assets	<u>24,808</u>
Net Assets 10/1/2001	<u>1,708,774</u>
Net Assets 10/31/2002	<u>\$1,733,582</u>

Waterworks District No. 2 of Berwick Parish

Balance Sheet

October 31, 2002 and 2001

	2002	2001
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Notes 7)	\$ 1,111,180	\$ 945,299
Accounts Receivable (Net of Allowance for Uncollectible Accounts of \$1,000 in 2002 and 2001, respectively)	141,848	194,908
Prepaid Expenses	5,887	4,348
Other Receivables	381	453
Total Current Assets	<u>1,259,296</u>	<u>1,305,008</u>
Restricted Assets:		
Restricted Cash and Cash Equivalents (Note 3)	184,817	184,807
Customers Meter Deposits - Cash and Cash Equivalents (Notes 4 & 7)	21,071	21,474
Total Restricted Assets	<u>205,888</u>	<u>206,281</u>
Property, Plant, and Equipment, at Cost (Net of Accumulated Depreciation of \$2,394,157 in 2001 and \$2,302,660 in 2002) (Notes 1 and 2)	1,241,115	1,332,612
Total Assets	<u>\$ 2,706,299</u>	<u>\$ 2,643,899</u>

The accompanying notes are an integral part of this statement.

Exhibit A
(Continued)

LIABILITIES AND FUND EQUITY

	<u>2002</u>	<u>2001</u>
Liabilities:		
Current Liabilities (Payable from Current Assets):		
Accounts Payable	\$ 43,193	\$ 38,926
Payroll Taxes Payable	2,200	2,026
Sales Taxes Payable	847	883
Accrued Unpaid Sick Pay (Note 1)	5,520	5,520
	<hr/>	<hr/>
Total Current Liabilities (Payable from Current Assets)	71,762	47,355
Current Liabilities (Payable from Restricted Assets):		
Customer Meter Deposits (Note 4)	22,511	22,946
	<hr/>	<hr/>
Total Current Liabilities (Payable from Restricted Assets)	22,511	22,946
	<hr/>	<hr/>
Total Liabilities	94,273	70,301
Fund Equity:		
Contributed Capital:		
Contributions in Aid of Construction	888,429	888,429
Retained Earnings:		
Unreserved - Undesignated	1,753,597	1,715,169
	<hr/>	<hr/>
Total Fund Equity	2,642,026	2,603,598
	<hr/>	<hr/>
Total Liabilities and Fund Equity	\$ 2,736,299	\$ 2,673,899

The accompanying notes are an integral part of this statement.

Exhibit B

Waterworks District No. 2 of Beeville Parish

STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS

For the Years Ended October 31, 2002 and 2001

	2002	2001
Operating Revenue:		
Water Sales	\$ 679,821	\$ 851,748
Penalty Charges	16,353	16,651
Service Charges	12,172	9,403
Water Lines Lease	37,900	37,900
Miscellaneous Income	131	161
Total Operating Revenues	<u>746,487</u>	<u>935,863</u>
Operating Expenses - Schedule I	715,400	690,307
Operating Income (Loss)	<u>21,087</u>	<u>23,156</u>
Nonoperating Revenue (Expense):		
Ad Valorem Taxes	0	87
Interest Income	17,341	40,173
Total Nonoperating Revenues	<u>17,341</u>	<u>40,260</u>
Net Income	<u>38,428</u>	<u>63,396</u>
Retained Earnings at Beginning of Year	1,715,369	1,651,773
Retained Earnings at End of Year	<u>\$1,753,797</u>	<u>\$1,715,169</u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 1 of Iberville Parish

STATEMENTS OF CASH FLOWS

For the Years Ended October 31, 2002 and 2001

	2002	2001
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ 21,087	\$25,156
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	61,497	66,652
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	13,058	(23,892)
(Increase) Decrease in Prepaid Expenses	(1,540)	(21)
(Increase) Decrease in Other Receivables	72	(72)
Increase (Decrease) in Accounts Payable	24,267	(4,532)
Increase (Decrease) in Payroll Taxes Payable and Sales Tax Payable	141	(571)
Increase (Decrease) in Customer Meter Deposits	(435)	1,840
Net Cash Provided by (Used in) Operating Activities	148,147	91,859

(CONTINUED)

Warravook District No. 2 of Bourville Parish

STATEMENTS OF CASH FLOWS (CONDENSED)

For the Years Ended October 31, 2002 and 2001

	2002	2001
Cash Flows From Capital and Related Financing Activities		
Add Valorem Tax Receivable	\$ 0	\$ 67
Interest Income	17,341	40,173
Net Cash Provided (Used) in Capital and Related Financing Activities	<u>17,341</u>	<u>40,240</u>
Cash Flows From Investing Activities		
Increase in Fixed Asset	0	(6,625)
Net Cash Provided (Used) by Investing Activities	<u>0</u>	<u>(6,625)</u>
Net Increase in Cash and Cash Equivalents	<u>165,488</u>	<u>123,574</u>
Cash and Cash Equivalents - Beginning of Year	1,151,580	1,026,006
Cash and Cash Equivalents - End of Year	<u>\$1,317,068</u>	<u>\$1,151,580</u>

The accompanying notes are an integral part of this statement.

Waterworks District No. 2 of Iberville Parish

NOTES TO FINANCIAL STATEMENTS
October 31, 2002 and 2001

(1) Summary of Significant Accounting Policies -

The Waterworks District No. 2 of Iberville Parish (the District) was incorporated under the provision of Act R.S. 33:2811 *seq.* The District operates under a Board of Commissioners form of government.

The accounting and reporting policies of the District conform to generally accepted accounting principles applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guide set forth in the industry audit guide, *Audit of State and Local Governmental Unit*. The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Water District's Board of Commissioners. Control by or dependence on the Board was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, the Waterworks District No. 2 of Iberville Parish is a component unit of the Iberville Parish Council. The accompanying financial statements only include the financial information of this component unit of the Iberville Parish Council and no other organization.

B. Fund Accounting

The Water District has only one fund to which all accounts are organized and accounted for as a single entity. This fund is operated as an Enterprise Fund.

Enterprise Fund - an Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Waterworks District No. 2 of Bonville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 2002 and 2001

C. Fixed Assets and Long-Term Liabilities

The enterprise fund is accounted for on a cost of services or "capital and insurance" measurement basis. This means that all assets and all liabilities (whether current or noncurrent) associated with it's activity is included on it's balance sheet. The reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Enterprise fund type operating statement present increases (revenue) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by the enterprise fund is charged as an expense against its operations. Accumulated depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Building	25 Years
Water System	5 - 20 Years
Wells and Storage Tanks	20 Years
Water Meters	10 Years
Furniture and Fixtures	3 - 10 Years

All fixed assets are stated at historical costs.

D. Basis of Accounting

Assets, liabilities, retained earnings, revenue, and expenses are recognized on the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

E. Budget and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected on the supplementary schedule comparing budget to actual:

1. The manager of the district prepares a proposed budget and submits it to the Board of Commissioners.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

Waterworks District No. 2 of Iserville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 2002 and 2001

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of a public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted.
5. Budgetary amendments involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.
6. All budgetary appropriations lapse at the end of each fiscal year.

F. Cash and Cash Equivalents

For purposes of reporting cash flows, the District considers certificates of Deposit, Treasury Bills, and Money Market Accounts (including asset management pools) with a maturity of three months or less, to be cash equivalents.

G. Bad Debts

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establish of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

H. Accumulated Unpaid Sick Pay and Accrued Unpaid Vacation

Employees of the district may accumulate a maximum of 45 days of Accrued Unpaid Sick Pay. Employees of the District may accrue vacation time, however it can not be accumulated from year to year.

Waterworks District No. 2 of Thibault Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 2002 and 2001

(3) Property, Plant, and Equipment -

A summary of property, plant, and equipment at October 31, 2002 and 2001, is as follows:

	<u>2002</u>	<u>2001</u>
Land	\$ 8,867	\$ 8,867
Buildings	133,683	133,683
Water Meters	32,829	32,829
Furniture and Fixtures	12,386	12,386
Water Distribution system	1,194,314	1,194,314
Water Treatment Plant	1,296,373	1,296,373
Water Walls	332,568	332,568
Elevated Tanks	52,518	52,518
Ground Level Storage Tanks	186,403	186,403
Water Lines	505,345	505,345
	<u>3,835,272</u>	<u>3,835,272</u>
Less: Accumulated Depreciation	3,394,157	3,303,668
Net Property, Plant and Equipment	<u>\$4,441,115</u>	<u>\$5,531,604</u>

(3) Restricted Assets -

Restricted assets totaling \$203,888 at October 31, 2002 and \$209,281 at October 31, 2001 consist of cash and cash equivalents and receivables restricted to customer deposits, and other funding investments.

(4) Customer Meter Deposits -

Meter deposits are paid by customers upon application for water services and are returnable to them upon termination of service. The district maintains an interest-bearing account which is designated specifically for meter deposits. At October 31, 2002 and 2001, Customer Meter Deposits amounted to \$22,511 and \$22,948 while the balance in the interest-bearing account amounted to \$21,871 and \$21,474 respectively.

Waterworks District No. 2 of Iberville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 2002 and 2001

(5) Retirement Commitments -

The Waterworks District No. 2 participates in the Louisiana Public Employees Deferred Compensation Plan using payroll deductions. The plans administrator is Great West Life & Annuity Insurance Company.

(6) Contingencies and Commitments -

Water Supply Commitment

On May 8, 1990, the Board passed a motion accepting 2 proposals from Baton Rouge Water Co. One proposal was for the purchase of water and the other proposal concerned the operations and maintenance of the Waterworks District No. 2 of Iberville Parish water plant and distribution lines.

With the acceptance of the above proposals, the board also passed a motion to proceed with plans to issue the remaining \$500,000 of the General Obligation bonds approved by the voters on November 4, 1988, for the construction of water distribution lines to connect the water lines of Baton Rouge Co. and the District. The bonds were issued in August, 1990. Construction cost were estimated to be \$500,000. Actual construction cost at completion was \$493,215 which included approximately \$38,000 for the purchase of new water meters. The water distribution lines were substantially completed as of October 1991.

The wholesale water supply contract with Baton Rouge Water Works Company shall be in effect for a period of twenty-five years and Baton Rouge Water Works Company agrees to supply the entire water supply requirements of the District, but not exceeding the lesser of 1,250 gallons per minute or 1,750,000 gallons per day. The District shall pay for water service delivered at a rate of \$0.744 per 100 gallons delivered to the District through the point of metering. Beginning with the second anniversary of this contract and annually thereafter, the price per 1,000 gallons delivered will be adjusted by 3% of any proportionate change in the Consumer Price Index as published by the U.S. Department of Labor.

Waterworks District No. 2 of Barville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 2002 and 2001

Baton Rouge Water Works Company began supplying water to the District in September 1991. For the year ended October 31, 2002 the District purchased 411,199,800 gallons of water from Baton Rouge Water Works Company at a total cost to the District of \$288,816. For the year ended October 31, 2001, the district purchased 345,878,800 gallons of water from Baton Rouge Water Works Company at a total cost to the District of 370,067. In addition, Baton Rouge Water Works Company agrees to pay the District the sum of \$57,500 per year during term of this agreement for the exclusive right to tap the connecting facilities between the point of delivery and the point of metering, for the purpose of supplying customers of the Company.

The operations and maintenance agreement with Baton Rouge Water Works Company was amended to be in effect for a period of one hundred twenty months and Baton Rouge Water Works Company agrees to undertake the operation and routine maintenance covering the District's supply, treatment, transmissions, distribution, storage and customer metering facilities. Specifically excluded costs are of maintaining or staffing an office for customer service at the existing District Office, all salaries and overhead costs associated with management and clerical personnel of the District, telephone service and other utilities for the operation of the District Office, property and workmen's compensation insurance for the commissionmen, paying agent fees, debt service costs, bad debt, advertising, legal and accounting fees or costs of the District, consulting or other professional fees furnished the District, and miscellaneous office, printing, and postage costs of the District not directly associated with billing. Likewise excluded from the scope of services furnished the District will be the cost of extraordinary maintenance and capital items.

The District paid to the Company \$6.98 per active customer per month for the services provided by Baton Rouge Water Works Company in the operations and maintenance agreement. Beginning with first anniversary of this contract and annually thereafter, the cost per active customer is adjusted by 85% of any proportionate change in the Consumer Price Index as published by the U.S. Department of Labor.

The operations and maintenance agreement became effective beginning in September 1991. The district has incurred total costs for the years ended October 31, 2002 and 2001, of \$401,067 and \$99,238 respectively.

Warravorka District No. 2 of Iberville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 2002 and 2001

Litigation

The District is involved in a lawsuit in defense of a matter where management cannot predict the outcome of the suit nor an estimate of the amount of any loss that may occur. Accordingly, no provision for any contingent liabilities that may result has been made in the financial statements.

7) Cash and Cash Equivalents -

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposits. Under state law the District may deposit funds within a fiscal agent bank organized under laws of the state of Louisiana, any other state in the union, or under the laws of the United States. Further, the District may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and nation banks having principal offices in Louisiana.

As confirmed by the fiscal agent and other institutions, the District had cash and cash equivalents totaling \$1,317,068 at October 31, 2002. Cash and cash equivalents are stated at cost, which approximates market. These deposits must be secured under state laws by federal deposit insurance or the pledge of securities plus the federal deposit insurance must at all times equal the amount on deposits with the bank. Any pledge securities are held in the name of the pledging bank in a custodial bank that is held mutually acceptable to the parties involved. Investments totaling \$869,977 are held in the Louisiana Asset Management Pool (LAMF), a local government investment pool. The following is a summary of cash and cash equivalents at October 31, 2002, with the related federal deposits insurance. The cash and cash equivalents at October 31, 2002, were secured as follows:

Waterworks District No. 2 of Berleville Parish

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

October 31, 2002 and 2001

	Confirmed Bank Balance OCTOBER 31, 2002	FDIC INSURANCE
Cash	\$ 447,891	\$ 108,000
Cash Equivalents - Short Term Money Market	<u>889,977</u>	
Total	<u>\$1,337,868</u>	
Uncollateralized-		
Securities Pledged and Held by the Custodial Bank in the name of the Fiscal Agent		791,000
Money Market Funds held in asset management pool		<u>889,977</u>
Total uncollateralized		1,680,977
Excess of FDIC Insurance and pledged securities over cash and cash equivalents		<u>\$ 152,908</u>

(8) Major Customer -

Accounts receivable included amounts due from Hums Correctional Institution of \$15,213 for the year ended October 31, 2002 and \$16,343 for the year ended October 31, 2001, which represents 10.51% and 10.48% of accounts receivable on these respective dates.

Net water sales to Hums Correctional Institution were \$158,680 for the year ended October 31, 2002 and \$184,700 for the year ended October 31, 2001, which represents 23.47% and 28.25% of annual water sales for each respective year.

OTHER SUPPLEMENTARY INFORMATION

Schedule I

Waterworks District No. 2 of Iberville Parish

SCHEDULE OF OPERATING EXPENSES

October 31, 2002 and 2001

	2002	2001
Water Purchases	\$ 380,616	\$ 370,067
Operating Agreement	101,067	99,238
Advertising	607	371
Bank Charges	120	182
Contracted Services	1,607	472
Depreciation	91,497	96,632
Dues and Subscriptions	309	415
Insurance	12,261	10,083
Legal and Accounting Fees	26,998	8,085
Miscellaneous Expenses	216	21
NSF Expense	2,756	309
Office, Printing, and Postage Exp.	4,607	3,963
Payroll Tax Expenses	3,012	4,442
Repairs and Maintenance-Equipment	24,075	8,943
Salaries - Board	4,000	4,200
Salaries - Office	53,465	53,139
Services Charges	4,666	23,243
Telephone	2,170	2,273
Travel	125	1,481
Truck Allowance	5,800	0
Utilities	2,086	2,278
Total Operating Expenses	<u>\$ 725,480</u>	<u>\$ 692,317</u>

See auditor's report.

Watauga District No. 2 of Berneville Parish

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

For The Year Ended October 31, 2002

Russell Robbin	\$ 780
Michael Reeves	180
Deloris Jackson	780
Eugene LeBlanc	780
Wilbert Wilson	780
Robert Hamstein	940
Melvin Lodge Sr.	120
Leroy Allred	60
Fessie Thomas	60
Total Board Member Per Diem	<u>\$ 4,880</u>

Waterworks District No. 2 of Iberville Parish

SCHEDULE OF INSURANCE IN FORCE (UNAUDITED)

October 31, 2012

Company	Coverage	Term
Granite State Ins. Co.	Property Schedule General Liability 1,000,000 / 2,000,000 Medical Expense 5,000 Fire Damage 50,000 Auto-Owned Car & Non-Owned Auto 1,000,000	8/2/02 to 8/2/03
National Union of LA	Umbrella Liability 1,000,000	8/2/02 to 8/2/03
LA Workers Comp. Corp.	Workers Compensation	8/2/02 to 8/2/03

See auditor's report.

Waterworks District No. 2 of Bessie Parish

STATEMENT OF REVENUES, AND EXPENSES,
BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended October 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Water Sales	\$ 876,000	\$ 876,921	\$ 9,921
Penalty Charges	12,000	16,763	4,763
Water Lines Lease	37,300	37,300	0
Service Charges	11,700	12,732	432
Miscellaneous Income	0	131	131
Total Operating Revenues	937,000	944,847	7,847
Operating Expenses:			
Water Purchases	378,000	380,816	(2,816)
Operating Agreement	101,300	101,867	467
Advertising	0	607	(607)
Bad Debts	3,000	0	3,000
Bank Charges	0	130	(130)
Contract Services	0	1,037	(1,037)
Depreciation	103,600	91,487	14,113
Exec and Subscription	0	309	(309)
Insurance	10,000	12,261	(2,261)
Legal and Accounting	36,000	28,398	9,402
Miscellaneous Expenses	3,000	216	4,784
NSF Expense	0	2,796	(2,796)
Office, Printing, and Postage	6,000	4,607	1,393
Payroll Tax Expense	4,300	3,812	478
Repairs and Maintenance	33,000	34,835	(1,835)
Salaries - Board	3,900	4,080	(180)
Salaries - Office	50,000	53,465	(3,465)
Service Charges	11,700	4,666	7,034
Telephone/Utilities	4,600	4,236	344
Travel	3,800	125	3,675
Truck Allowance	0	3,800	(3,800)
Total Operating Exp.	941,200	925,400	(15,800)
Operating Income	(16,200)	21,087	37,287

Schedule 4
(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Nonoperating Revenues (Expense):			
Interest income	\$ 0	\$ 17,341	\$ 17,341
Total Nonoperating Revenues	<u>0</u>	<u>17,341</u>	<u>17,341</u>
Net Income	<u>\$ (16,680)</u>	<u>\$ 38,428</u>	<u>\$ 54,628</u>

See auditor's report.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE
WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

PATRICIA LEGO LEWIS, CPA

Accounting and Consulting Firm
Notary Public

2025-01-0000
17788 First Street
Bogalusa, Louisiana 70304

Phone (225) 687-3000
Fid. Box #22
Bogalusa, Louisiana 70304

March 15, 2003

Waterworks District No. 2
Of Iberville Parish
St. Gabriel, Louisiana

I have audited the component unit financial statements of Waterworks District No. 2 of Iberville Parish, Louisiana, for the year ended October 31, 2002, and have issued the report thereon dated March 15, 2003. I conducted the audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Waterworks District No. 2 of Iberville Parish, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether Waterworks District No. 2 general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of the tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the use of management, and the Louisiana Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Board of Commissioners, is a matter of Public record.


Patricia Logo Lewis, CPA
Flaguerrine, Louisiana

Waterworks District No. 2 of Florence Parish

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended October 31, 2002

I have audited the financial statements of Waterworks District No. 2, at October 31, 2002 and have issued my report thereon dated March 15, 2003. I conducted the audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. The audit of the financial statements at October 31, 2002 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

Financial Statements:

Type of auditor's report issued: Unqualified

Report on Internal Control and Compliance: Material to the Financial Statements

Internal Control Over Financial Reporting

Material Weakness Identified Yes No

Reportable Conditions Identified that are not considered to be material weaknesses

Yes No

Compliance Material to Financial Statements

Yes No

Management Letter Issued

Yes No