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

## **Financial Statements**

### **Years ended June 30, 2009 and 2008**

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

Release Date 2/3/10

**Waterworks District No. 1 of the Parish of Avoyelles**  
**Annual Financial Statements**  
**Year ended June 30, 2009 and 2008**

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the Waterworks District No.1 of the Parish of Avoyelles, a component unit of the Avoyelles Parish Police Jury, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Waterworks District No.1 of the Parish of Avoyelles as of June 30, 2009, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated October 29, 2009 on my consideration of Waterworks District No.1 of the Parish of Avoyelles' internal control structure and on its compliance with laws and regulations.

The Management's Discussion and Analysis on pages 3 through 5 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was made for the purpose of forming and opinion on the financial statements taken as a whole. The accompanying financial information listed as "Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Waterworks District No.1 of the Parish of Avoyelles. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to such statements taken as a whole.

***W. Kathleen Beard***

Certified Public Accountant

October 29, 2009

**REQUIRED SUPPLEMENTARY INFORMATION**

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

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

Our discussion and analysis of Waterworks District No. 1 of Avoyelles Parish, Louisiana's financial performance provides an overview of Waterworks District No. 1's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the District's basic financial statements.

*Financial Highlights*

The assets of the District exceeded its liabilities at June 30, 2009 by \$792,034 (net assets). Of this amount \$379,722 was unrestricted and may be used to meet the District's ongoing obligations. Net assets increased by \$32,762 in fiscal year 2009.

*Overview of the Financial Statements*

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

**Table 1  
Net Assets**

	2008	2009
Current and other assets	\$ 453,908	\$ 452,692
Capital assets	414,390	412,312
Total Assets	868,298	865,004
Long term outstanding debt	31,000	-0-
Other liabilities	78,026	72,970
Total Liabilities	109,026	72,970
 Net Assets		
Invested in capital assets, net of related debt	193,479	412,312
Restricted for debt service	157,438	-0-
Unrestricted	408,354	379,722
Total Net Assets	\$ 759,272	\$ 792,034

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

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

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

**Table 2  
Changes in Net Assets**

	2008	2009
<u>Revenue</u>		
Operating -		
Charges for services	\$ 305,374	\$ 320,824
Non-operating -		
Interest revenue	<u>5,337</u>	<u>3,311</u>
Total revenue	<u>310,711</u>	<u>324,135</u>
<u>Expenses</u>		
Operating	282,827	290,627
Non-operating -		
Interest expense	<u>2,205</u>	<u>746</u>
Total expenses	<u>285,032</u>	<u>291,373</u>
Income before special item	25,679	<u>32,762</u>
Special item - intergovernmental grant	<u>( 27,575)</u>	<u>-0-</u>
Change in Net Assets	( 1,896)	32,762
Beginning Net Assets	<u>761,168</u>	<u>759,272</u>
Ending Net Assets	<u>\$ 759,272</u>	<u>\$ 792,034</u>

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At June 30, 2009, the District had \$1,256,560 invested in capital assets, including buildings, water wells, tanks and lines, and equipment. There were additions to capital assets of \$30,808 and deletions of \$1,795 during 2009.

The District had no outstanding indebtedness at June 30, 2009.

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

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

**Contacting the District's Management**

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



## **BASIC FINANCIAL STATEMENTS**

**Water Works District No. 1 of the Parish of Avoyelles  
Bordelonville, Louisiana  
Statement of Net Assets  
June 30, 2009 and 2008**

<b>ASSETS</b>	<b>2009</b>	<b>2008</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 139,354	\$ 146,275
Investments	185,275	-
Accounts receivable - Customers	41,578	40,258
Due from other governments - FEMA	7,046	-
Inventory	16,678	16,872
Prepaid insurance	7,709	7,856
Cylinder deposit	1,000	1,000
	<hr/>	<hr/>
Total Current Assets	398,639	212,261
<b>RESTRICTED ASSETS</b>		
Cash and cash equivalents:		
Water customer deposits	27,977	26,396
Water amortization	-	16,469
Water reserve	-	4,608
Water depreciation	-	133,936
Total Restricted Cash and cash equivalents	<hr/>	<hr/>
	27,977	181,410
Investment in Certificates of Deposit:		
Water customer deposits	26,076	26,076
Water reserve	-	34,161
Total Restricted Investments	<hr/>	<hr/>
	26,076	60,237
Total Restricted Assets	54,053	241,647
<b>CAPITAL ASSETS</b>		
Land	31,720	7,100
Building	114,951	114,951
Water system	1,028,941	1,028,941
Equipment	80,948	76,556
	<hr/>	<hr/>
Total Capital Assets	1,256,560	1,227,548
Less: Accumulated depreciation	<hr/>	<hr/>
	(844,249)	(813,157)
Total Capital Assets, net of depreciation	<hr/>	<hr/>
	412,312	414,390
<b>TOTAL ASSETS</b>	<hr/>	<hr/>
	\$ 865,004	\$ 868,298

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

Statement A

**LIABILITIES AND NET ASSETS**

	2009		2008
<b>CURRENT LIABILITIES</b>			
Payable from Current Assets:			
Accounts payable	\$ 7,772	\$	7,631
Due to Avoyelles Parish Police Jury	-		7,100
Accrued compensated absences payable	6,910		7,480
Payroll taxes payable	4,086		2,518
Sales tax payable	150		89
	<hr/>		
Total Payable from Current Assets	18,917		24,818
Payable from Restricted Assets:			
Customer deposits	54,053		52,472
Accrued interest payable	-		736
Revenue bonds payable - current portion	-		31,000
	<hr/>		
Total Payable from Restricted Assets	54,053		84,208
Total Current Liabilities	72,970		109,026
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	412,312		193,479
Restricted for revenue bond retirement	-		23,502
Restricted for depreciation & contingencies	-		133,936
Unrestricted	379,722		408,354
	<hr/>		
Total Net Assets	\$ 792,034	\$	759,272
	<hr/>		

**Water Works District No. 1 of the Parish of Avoyelles  
Bordelonville, Louisiana  
Statement of Revenues, Expenses, and Changes in Net Assets  
Year ended June 30, 2009 and 2008**

**Statement B**

<b>OPERATING REVENUES</b>	<b>2009</b>	<b>2008</b>
Charges for services		
Water sales	\$ 298,963	\$ 295,057
Late charges	4,638	4,715
Tap fees	8,129	3,889
Miscellaneous	2,048	1,713
FEMA reimbursements	7,046	-
Total operating revenues	320,824	305,374
 <b>OPERATING EXPENSES</b>		
Salaries and benefits	105,248	102,374
Repairs, maintenance, testing, chemicals, parts and supplies	42,399	38,044
Board fees	1,900	1,680
Professional fees	4,000	3,800
Utilities	57,460	59,003
Payroll taxes	7,554	7,322
Office supplies, postage, bank charges	10,139	8,822
Insurance	12,105	11,577
Miscellaneous	2,057	1,922
Bad debt expense	72	-
Rent	335	300
Communications	5,191	4,962
Depreciation	32,886	32,331
Fuel	8,022	9,562
Travel	1,258	1,129
Total Operating Expenses	290,627	282,827
 <b>INCOME FROM OPERATIONS</b>	 30,197	 22,547
 <b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest revenue	3,311	5,337
Interest expense	(746)	(2,205)
Total Non-operating Revenues (Expenses)	2,565	3,132
 <b>INCOME BEFORE SPECIAL ITEMS</b>	 32,761	 25,679
 <b>SPECIAL ITEMS</b>		
Intergovernmental grant to Avoyelles Parish Police Jury	-	(27,575)
 <b>INCREASE/(DECREASE) IN NET ASSETS</b>	 32,761	 (1,896)
 <b>NET ASSETS AT BEGINNING OF YEAR</b>	 759,272	 761,168
 <b>NET ASSETS AT END OF YEAR</b>	 \$ 792,034	 \$ 759,272

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

**Water Works District No. 1 of the Parish of Avoyelles  
Bordelonville, Louisiana  
Comparative Statement of Cash Flows  
June 30, 2009 and 2008**

Statement C

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 314,039	\$ 308,804
Cash payments to suppliers for goods and services	(155,136)	(151,823)
Cash payments to employees for services	(101,063)	(94,185)
Net Cash Provided by (Used for) Operating Activities	57,840	62,796
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal paid on bonds payable	(31,000)	(30,000)
Interest paid on bonds payable	(1,483)	(2,899)
Acquisition of capital assets	(30,808)	(6,220)
Net Cash (Used for) Capital and Related Financing Activities	(63,291)	(39,119)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Intergovernmental grant to Avoyelles Parish Police Jury	(7,100)	(20,475)
Interest on Investments	3,311	5,337
(Increase)/Decrease in Investments	(151,114)	(1,259)
Net Cash Provided by (Used for) Investing Activities	(154,903)	(16,397)
<b>INCREASE (DECREASE) IN CASH</b>	(160,354)	7,281
Cash and Cash Equivalents, Beginning of Year	327,685	320,401
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 167,331	\$ 327,685
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>		
Income from operations	\$ 30,197	\$ 22,547
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation	32,886	32,331
Net Change in Assets and Liabilities -		
(Increase) Decrease in accounts receivable	(1,318)	847
(Increase) Decrease in governmental receivable	(7,046)	-
(Increase) Decrease in inventory	195	(2,710)
(Increase) Decrease in prepaid expense	147	26
Increase (Decrease) in accounts payable	141	(579)
Increase (Decrease) in accrued compensated absences	(571)	7,480
Increase (Decrease) in payroll taxes payable	1,567	246
Increase (Decrease) in sales tax payable	61	27
Increase (Decrease) in customer security deposits	1,581	2,584
Total Adjustments	27,643	40,250
Net cash provided by (used for) operating activities	\$ 57,840	\$ 62,796
Cash and Cash Equivalents - Unrestricted	\$ 139,354	\$ 146,275
Cash and Cash Equivalents - Restricted	27,977	181,410
	\$ 167,331	\$ 327,685

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

**Waterworks District No. 1 of the Parish of Avoyelles**  
**Notes to the Financial Statements**  
**June 30, 2009**

**Introduction**

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

**1. Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Standards and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with, or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date, the District has chosen not to do so.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*. Certain of the significant changes in the Statement include the following:

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure (roads, and bridges).

These and other changes are reflected in the accompanying financial statements (including the notes to financial statements).

**Waterworks District No. 1 of the Parish of Avoyelles**  
**Notes to the Financial Statements**  
**June 30, 2009**

**1. Summary of Significant Accounting Policies (Continued)**

**B. Reporting Entity**

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the reporting entity, for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes: (1) appointing a voting majority of an organization's governing body, and the ability of the police jury to impose its will on that organization, and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury; (2) organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury; and (3) organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

**C. Government –Wide Fund Financial Statements**

The Government-Wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District.

The District is organized and operated on the basis of funds whereby a separate self - balancing set of accounts (Enterprise Fund) is maintained that comprise its assets, liabilities, fund equity, revenue and expense. The operations are financed and operated in a manner similar to a private business enterprise - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund is used to account for water services provided to the residents and businesses within the District and the \$560,000 issue of revenue bonds dated July 11, 1969, which was paid during the current fiscal year.

**Waterworks District No. 1 of the Parish of Avoyelles**  
**Notes to the Financial Statements**  
**June 30, 2009**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Basis of Accounting**

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

**E. Cash and Cash Equivalents**

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

**F. Investments**

Investments at June 30, 2009 are stated at fair value.

**G. Inventories**

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

**H. Restricted Assets**

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



**Waterworks District No. 1 of the Parish of Avoyelles**  
**Notes to the Financial Statements**  
**June 30, 2009**

**1. Summary of Significant Accounting Policies (Continued)**

H. Restricted Assets (Continued)

Under the terms of the bond indenture, transfers should also be made to the Reserve Fund in an amount equal to 5% of the amount transferred into the Amortization Fund until there is on deposit an amount equal to \$33,000. There shall also be deposited \$230 per month into the Depreciation and Contingency Fund. On December 30, 2008 final payment on the revenue bonds was made, resulting in removal of all bond covenants.

I. Capital Assets

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

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

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

For the fiscal year ended June 30, 2009, there was no interest charges capitalized on fixed assets acquired or constructed.

J. Compensated Absences

The District has adopted a policy for paid vacation and sick leave for all full time employees. Employees with 1 – 5 years of service are granted 14 days annual leave; employees with over 5 years of service are granted 14 days annual leave plus 1 day for each additional year of service to a maximum of 25 days. Unused vacation leave is lost at the end of the calendar year. Employees hired before June 30, 1996 are allowed to carry forward any unused vacation leave as of that date, however, vacation leave earned after that date is non-cumulative. Sick leave may be accumulated indefinitely. At June 30, 2009, the amount of unused paid leave has been reported in these financial statements.

**Waterworks District No. 1 of the Parish of Avoyelles**  
**Notes to the Financial Statements**  
**June 30, 2009**

**1. Summary of Significant Accounting Policies (Continued)**

K. Defining Operating Revenues and Expenses

The District distinguishes between operating and nonoperating revenues and expenses - operating revenues and expenses of the District consist of charges for services (including tap fees) and the costs of providing those services, including depreciation and excluding interest cost. All other revenue and expenses are reported as nonoperating.

L. Net Assets

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

**2. Deposits and Investments**

Deposits - Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or resulting bank balances). 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. At year-end, the carrying amount of the District's deposits was \$167,266 and the bank balance was \$181,978. All of the bank balance was covered by federal depository insurance.

Investments - State law allows the District to invest in any direct obligation of the United States Treasury; other debt issued or guaranteed by the full faith and credit of the United States; certificates of deposit of any bank in Louisiana; mutual funds which are registered with the Securities and Exchange Commission and invest in securities of the U. S. government or its agencies; guaranteed investment contracts issued by banks or insurance companies or investment grade commercial paper of domestic U. S. corporations.

Change in Investments – Certificates of Deposit	Cost	Fair Value
Balance, June 30, 2008	\$ 60,237	\$ 60,237
Add: Investment purchase	151,114	151,114
Balance, June 30, 2009	\$ 211,351	\$ 211,351

**Waterworks District No. 1 of the Parish of Avoyelles**  
**Notes to the Financial Statements**  
**June 30, 2009**

**2. Cash and Investments (Continued)**

Custodial Risk of Investments Custodial credit risk for investments is the risk that, in the event of failure of the counter party, the District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are insured and are not registered in the name of the District and are held by either the counter-party's trust department or agents but not in the District's name. The District has no custodial credit risk at June 30, 2009 since all investments are insured by federal depository insurance.

Interest Rate Risk The District has minimal credit risk as all investments are certificates of deposit.

**3. Accounts Receivable**

At June 30, 2009 and 2008, accounts receivable from customers is comprised of the following:

	<u>2009</u>	<u>2008</u>
Current Billing	\$ 24,920	\$ 25,738
Past due	<u>1,265</u>	<u>2,057</u>
	26,185	27,795
Unbilled receivables	<u>15,393</u>	<u>12,463</u>
	<u>\$ 41,578</u>	<u>\$ 40,258</u>

**Waterworks District No. 1 of the Parish of Avoyelles**  
**Notes to the Financial Statements**  
**June 30, 2009**

**4. Capital Assets -**

The following is a summary of the capital asset activity for the year ended June 30, 2009:

	July 1, 2008	Additions	Deletions	June 30, 2009
<b>Non-depreciable Assets -</b>				
Land	\$ 7,100	\$ 24,620	\$ -	\$ 31,720
<b>Depreciable Assets -</b>				
Water System	1,028,941	-	-	1,028,941
Buildings	114,951	-	-	114,951
Equipment	70,048	5,265	(320)	74,993
Office Equipment	6,507	923	(1,475)	5,955
Total Depreciable	<u>1,220,448</u>	<u>6,188</u>	<u>(1,795)</u>	<u>1,224,840</u>
Total Capital Assets	1,227,548	30,808	(1,795)	1,256,560
<b>Accumulated Depreciation -</b>				
Water System	729,352	23,945	-	753,297
Buildings	20,117	2,874	-	22,990
Equipment	57,981	4,961	(320)	62,622
Office Equipment	5,708	1,107	(1,475)	5,340
Total Accum Depr	<u>813,157</u>	<u>32,886</u>	<u>(1,795)</u>	<u>844,249</u>
<b>Capital Assets - Book Value</b>	<u>\$ 414,390</u>			<u>\$ 412,312</u>

**Waterworks District No. 1 of the Parish of Avoyelles**  
**Notes to the Financial Statements**  
**June 30, 2009**

**5. Bonds Payable**

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

Current portion payable at June 30, 2008	\$ 31,000	
Less: Payments	<u>(31,000)</u>	
Current portion payable at June 30, 2009		<u><u>\$ 0</u></u>

**6. Retirement Commitments**

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

**7. Litigation and Claims**

At June 30, 2009 the District was not involved in litigation or is aware of any unasserted claims.

**8. Risk Management**

The District purchases commercial insurance to deal with potential liabilities. The District maintains insurance policies to cover risks related to workers compensation, general liability, public officials errors and omissions, commercial property damage, and automobile coverage. There was no change in the amount of insurance coverage during the fiscal year.

**OTHER SUPPLEMENTARY INFORMATION**

**Water Works District No. 1 of the Parish of Avoyelles  
Bordelonville, Louisiana  
Schedule of Compensation Paid Board Members  
For the Year ended June 30, 2009 and 2008**

**Schedule 1**

<b>Board Member</b>	<b>2009</b>	<b>2008</b>
David Bordelon	\$ 410	\$ 370
Aloysia C. Ducote	350	350
James Armand	490	400
Peter Lemoine	400	200
Steve Lacombe	250	-
Shelby Laborde	-	360
<b>Total</b>	<b>\$ 1,900</b>	<b>\$ 1,320</b>

**Water Works District No. 1 of the Parish of Avoyelles  
Bordelonville, Louisiana**

**Schedule 2**

**Schedule of Changes in Assets Restricted  
For Revenue Bond Debt Retirement  
For the Year ended June 30, 2009 and 2008**

	<b>Amortization Fund</b>	<b>Reserve Fund</b>	<b>Depreciation Fund</b>	<b>Total 2009</b>	<b>Total 2008</b>
Cash balance at July 1,	\$ 16,469	\$ 38,769	\$ 133,936	\$ 189,174	\$ 186,992
Cash Receipts:					
Transfers from Operating	16,118			16,118	32,235
Interest earned on invested funds	63	1,131	465	1,659	2,846
<b>Total Cash Available</b>	<b>32,650</b>	<b>39,900</b>	<b>134,401</b>	<b>206,950</b>	<b>222,072</b>
Cash Disbursements:					
Transfers to Operating Fund	-	(4,625)	(134,401)	(139,026)	
Transfers to Emergency Fund	(167)			(167)	-
Invested in Certificate of Deposit	-	(35,275)		(35,275)	
Bond principal payments	(31,000)			(31,000)	(30,000)
Bond interest payments	(1,483)			(1,483)	(2,898)
<b>Total Disbursements</b>	<b>(32,650)</b>	<b>(39,900)</b>	<b>(134,401)</b>	<b>(206,950)</b>	<b>(32,898)</b>
Cash balance at June 30,	\$ 0	\$ 0	\$ -	\$ 0	\$ 189,175



**REPORTS REQUIRED BY GOVERNMENT STANDARDS**

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American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants

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

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

I have audited the accompanying financial statements of the the business – type activities, and each major fund of Waterworks District No. 1 of the Parish of Avoyelles as of and for the year ended June 30, 2009, and have issued my report thereon dated October 29, 2009. I have conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Waterworks District No. 1 of the Parish of Avoyelles' internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Waterworks District No. 1 of the Parish of Avoyelles' internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Waterworks District No. 1 of the Parish of Avoyelles' internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Waterworks District No. 1 of the Parish of Avoyelles' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Waterworks District No. 1 of the Parish of Avoyelles' financial statements that is more than inconsequential will not be prevented or detected by the Waterworks District No. 1 of the Parish of Avoyelles' internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, which results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Waterworks District No. 1 of the Parish of Avoyelles' internal control.

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Waterworks District No. 1 of the Parish of Avoyelles' basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

This report is intended for the information of the members of the board of commissioners of Waterworks District No. 1 of the Parish of Avoyelles and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***W. Kathleen Beard***

Certified Public Accountant  
October 29, 2009

**A. Summary of Audit Results**

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

**B. Findings - Financial Statements Audit**

There were no findings.

**A. Internal Control and Compliance Material to the Financial Statements**

There were no findings.

**B. Management Letter**

No management letter was issued.