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CAMERON PARISH WATERWORKS
DISTRICT NO. 10

FINANCIAL STATEMENTS

December 31, 2006

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

Release Date 8/29/07

CAMERON WATERWORKS DISTRICT NO. 10
December 31, 2006

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REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAMERON PARISH WATERWORKS DISTRICT NO 10
December 31, 2006

Management's Discussion and Analysis

Our discussion and analysis of the Cameron Parish Waterworks No 10 (the District) financial performance provides an overview to the District's financial activities for the year ended December 31, 2006. Please read in conjunction with the District's basic financial statements which begin on page 9.

Financial Highlights

- * The District's net assets increased by \$484,942 during the year ended December 31, 2006. The increase in net assets is attributable primarily due to a substantial increase in water sales and related revenue plus collection of protested taxes.
- * While total net assets increased by about 11.27%, there was also an increase of \$458,741 in unrestricted net assets. Unrestricted net assets are those assets available to meet the day-to-day operating needs of the District. This increase was caused by the factors discussed in the preceding paragraph.

Using This Annual Report

This annual report consists of Management's Discussion and Analysis, the basic financial statements, and notes to the financial statements. Management's Discussion and Analysis provides a narrative of the District's financial performance and activities for the year ended December 31, 2005. The basic financial statements provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

- * The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- * The Statement of Activities presents information showing how the District's net assets changes during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.
- * The Statement of Cash Flows presents information showing how the District's cash changed during the most recent fiscal year. It shows the sources and uses of cash.

See Independent Auditor's Report

Financial Analysis of the District as a Whole

A summary of net assets is presented on the next page.

See Independent Auditor's Report

CAMERON PARISH WATERWORKS NO. 10

December 31, 2006

Management's Discussion and Analysis

Table 1
Net Assets

| | <u>2006</u> | <u>2005</u> | <u>% Change</u> |
|---|---------------------|---------------------|-----------------|
| Current Assets | \$ 1,140,930 | \$ 810,949 | 40.69% |
| Restricted assets | 236,724 | 144,788 | 63.50% |
| Capital assets, net of depreciation | <u>3,495,138</u> | <u>3,560,482</u> | <u>(1.83%)</u> |
| Total Assets | \$ <u>4,872,792</u> | \$ <u>4,516,219</u> | <u>7.90%</u> |
| Current liabilities | \$ 84,853 | \$ 213,222 | (60.20%) |
| Current liabilities payable from restricted assets | --- | --- | --- |
| Noncurrent liabilities | --- | --- | --- |
| Total Liabilities | <u>84,853</u> | <u>213,222</u> | <u>(60.20%)</u> |
| Invested in capital assets | 3,495,138 | 3,560,482 | (1.83%) |
| Unrestricted net assets | 1,056,468 | 597,727 | 76.75% |
| Restricted protested taxes | <u>236,333</u> | <u>144,788</u> | <u>63.23%</u> |
| Total Net Assets | \$ <u>4,787,939</u> | \$ <u>4,302,997</u> | <u>11.27%</u> |

Invested in capital assets represent the District's long-term investment in capital assets, net of accumulated depreciation, and is not available for current operations.

A comparative summary of changes in net assets is presented below.

Table 2
Changes in Net Assets

| | <u>2006</u> | <u>2005</u> | <u>% Change</u> |
|--|-------------------|---------------------|-----------------|
| Operating revenues | | | |
| (charges for services, leases and other) | \$525,125 | 354,868 | 47.98% |
| Non-operating revenues (expenses) | | | |
| (government subsidies and interest income) | <u>298,236</u> | <u>(229,902)</u> | <u>329.72%</u> |
| Total Revenues | <u>823,361</u> | 124,966 | <u>558.87%</u> |
| Operating expenses | | | |
| Depreciation | 124,643 | 138,274 | (7.46%) |
| Other | <u>213,776</u> | <u>278,248</u> | <u>(23.17%)</u> |
| Total Expenses | <u>338,419</u> | <u>416,522</u> | <u>(18.75%)</u> |
| Change in net assets | \$ <u>484,942</u> | \$ <u>(291,556)</u> | <u>266.32%</u> |
| See Independent Auditor's Report | | | |

CAMERON WATERWORKS DISTRICT NO 10
December 31, 2006

Management's Discussion and Analysis

Capital Assets

At December 31, 2006, the District had \$3,495,138 and \$3,560,482 respectively, invested in capital assets , including land, buildings, improvement, equipment, furniture and fixtures at net value after depreciation. Additions to capital assets during the year ended December 31, 2006, were \$59,298 consisting of an excavator, a chlorine storage building, and office equipment.

Current Liabilities Payable from Restricted Assets

N/A

Non-Current Liabilities

N/A

Other Currently Known Facts, Decision, or Conditions

In management's opinion the cash balance that the District has acquired will be maintained under present operating projections.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Cameron Waterworks District No. 10 at 159 Berwick Rd, Johnson Bayou, Louisiana.

See Independent Auditor's Report

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W. Micheal Elliott, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Cameron Parish Waterworks District No. 10

I have audited the accompanying basic financial statements of the Cameron Parish Waterworks District No. 10, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2006, as listed in the table of contents. These basic financial statements are the responsibility of the Cameron Parish Waterworks District No. 10's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Cameron Parish Waterworks District No. 10 as of and for the year ended December 31, 2006, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 1 through 5 is not a required part of the basic financial statements but is supplementary information required by the Government 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.

In accordance with Government Auditing Standards, I have also issued my reported dated June 10, 2007 on my consideration of the Cameron Waterworks District No. 10's internal control over financial reporting and my tests of its compliance with certain provision of laws, regulations, contracts, and grants. 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 result of my audit.

Elliott + Assoc. "APAC"

Leesville, Louisiana

June 10, 2007

BASIC FINANCIAL STATEMENTS

CAMERON PARISH WATERWORKS DISTRICT NO. 10

STATEMENT OF NET ASSETS

December 31, 2006

ASSETS

ASSETS

Current asset

| | |
|---------------------------|--------------|
| Cash and cash equivalents | \$ 949,053 |
| Receivables (Note 3): | |
| Water service customers | 31,419 |
| Ad valorem taxes | 157,621 |
| State revenue sharing | 70 |
| Accrued interest | 1,172 |
| Prepaid expenses | <u>1,595</u> |

Total current assets 1,140,930

Restricted assets

| | |
|--------------------------------------|------------|
| Cash - protested taxes (Note 2) | 236,333 |
| Ad valorem taxes receivable (Note 3) | --- |
| Accrued interest (Note 3) | <u>391</u> |

Total restricted assets 236,724

Noncurrent assets

| | |
|--|------------------|
| Capital assets, net of accumulated depreciation(note 4) | <u>3,495,138</u> |
| Total noncurrent assets | <u>3,495,138</u> |

TOTAL ASSETS \$ 4,872,792

The accompanying notes are an integral part of this statement.

LIABILITIES**Current liabilities**

| | |
|-------------------------------|--------------|
| Due to FEMA | \$ 22,101 |
| Matured interest payable | 11,540 |
| Accounts payable | 6,338 |
| Sales taxes payable | 946 |
| Salaries payable | 28,079 |
| Deferred revenue | 10,817 |
| Retirement deductions payable | <u>5,032</u> |

Total current liabilities 84,853

Current liabilities payable from restricted assets:

| | |
|--|------------|
| Retirement deductions payable | --- |
| Accrued interest payable (Note 5) | --- |
| General obligation bonds payable--current (Note 5) | <u>---</u> |

Total current liabilities payable from restricted assets ---

Long-term liabilities

| | |
|---|------------|
| General obligation bonds payable (net of current portion)--(Note 5) | <u>---</u> |
|---|------------|

Total long-term liabilities ---

TOTAL LIABILITIES ---

NET ASSETS

| | |
|------------------------------|------------------|
| Invested in capital assets | 3,495,138 |
| Restricted - protested taxes | 236,333 |
| Unrestricted | <u>1,056,468</u> |

TOTAL NET ASSETS \$4,787,939

CAMERON PARISH WATERWORKS DISTRICT NO. 10
Statement of Revenues, Expenses and
Changes in Fund Net Assets
For the year ended December 31, 2006

OPERATING REVENUES

Charges for sales and services:

| | |
|----------------------|--------------|
| Water sales | \$ 513,667 |
| Installation service | 10,098 |
| Water tap fees | <u>1,360</u> |

Total operating revenues 525,125

OPERATING EXPENSES

Current:

| | |
|-------------------------------|----------------|
| Advertising | 792 |
| Salaries and related benefits | 175,549 |
| Per diem of board members | 4,020 |
| Operation of plant | 33,415 |
| Depreciation (Note 4) | <u>124,643</u> |

Total operating expenses 338,419

OPERATING INCOME 186,706

NON-OPERATING REVENUES(EXPENSES):

| | |
|---------------------------|---------------|
| Ad valorem taxes (Note 3) | 261,467 |
| State revenue sharing | 166 |
| Interest income | 24,434 |
| Federal revenue sharing | <u>12,169</u> |

**Total nonoperating
revenues(expenses)** 298,236

NET INCREASE IN NET ASSETS 484,942

NET ASSETS - BEGINNING OF YEAR 4,302,997

NET ASSETS - END OF YEAR \$4,787,939

The accompanying notes are an integral part of this statement.

CAMERON PARISH WATERWORKS DISTRICT NO. 10

Statement of Cash Flows

For the year ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES

| | | |
|---|--|----------------|
| Cash received from customers | | |
| Cash payments to suppliers | | 529,300 |
| For goods and service | | 95,960 |
| Cash payments to employees for services | | <u>179,628</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | | <u>253,712</u> |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

| | | |
|------------------|--|----------------|
| Hurricane Losses | | <u>(-----)</u> |
|------------------|--|----------------|

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

| | | |
|---|--|----------------|
| Ad valorem taxes | | 214,008 |
| State revenue sharing | | 459 |
| Federal revenue sharing | | 12,169 |
| Acquisition of property, plant and equipment | | (59,298) |
| Repayment of indebtedness | | --- |
| Interest paid | | --- |
| NET CASH PROVIDED BY CAPITAL FINANCING ACTIVITIES | | <u>167,338</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | | |
|-------------------|---------|---------------|
| Interest received | | <u>23,896</u> |
| Increased in cash | 444,946 | |

CASH, BEGINNING OF YEAR

740,440

CASH, END OF YEAR

\$ 1,185,386

CLASSIFIED AS:

| | | |
|--------------|--|--------------------|
| Unrestricted | | \$949,053 |
| Restricted | | <u>236,333</u> |
| TOTAL CASH | | <u>\$1,185,386</u> |

CASH FLOWS FROM OPERATING ACTIVITIES

| | | |
|---|--|----------------|
| Operating income (loss) | | \$ 220,121 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | | 124,642 |
| Changes in assets and liabilities: | | |
| Accounts receivable | | (15,633) |
| Other current assets | | 54,546 |
| Accounts payable | | (135,759) |
| Other current liabilities | | (5,891) |
| Retirement Ded. Payable | | 5,032 |
| Deferred Revenue | | <u>6,654</u> |
| Net cash provided by operating activities | | <u>253,712</u> |

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Cameron Waterworks District No 10 is a political subdivision of the Cameron Parish Police Jury. The District is governed by a board of commissioners, composed of five members, who serve with compensation and are appointed for terms of five years by the Cameron Parish Police Jury.

The financial statements of the Cameron Parish Waterworks District No 10 have been prepared in conformity with accounting principles generally accepted in the United States of American (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

GASB Statement No. 14, The Reporting Entity, as amended, established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a component unit, since it is a subdivision of the Cameron Parish Police Jury "Jury" that reports to the Jury. As used in GASB Statement No 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issued bonded debt. The District only does certain of the above functions and it's board members are also appointed by the Jury, Thus the District is classified as a component unit.

CAMERON PARISH WATERWORKS DISTRICT NO. 10
December 31, 2006

Notes to the Financial Statements

Basis of Presentation

As stated above, effective January 1, 2002, the District adopted the provisions of Statement No. 34 and Statement No. 37. These statements established standards for external financial reporting for all state and governmental entities, which includes a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- * Invested in capital assets, net of related debt: This component of net assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- * Restricted net assets: This component of net assets consists of constraints imposed by creditors (such as through debt covenants), contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation.
- * Unrestricted net assets: This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Accounting

The accounts of the District are organized on the basis of an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed primarily through user charges or 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.

CAMERON PARISH WATERWORKS DISTRICT NO. 10

December 31, 2006

Notes to the Financial Statements

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds follow GAAP prescribed by the Government Accounting Standards Board and Financial Accounting Standards Boards's Standards issue prior to November 30, 1989. Enterprise funds are accounted for an a flow of economic measurement focus. With this measurement focus, all assets and liabilities associated with the operating of these funds are included on the balance sheet. The operating statement presents increases (revenues) and decreases(expenses) in total net assets.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with its principal ongoing operations. The principal operating revenues of the District are charges for water sales. Operating expense include costs of providing water services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

Capital Assets

All purchased capital assets are stated at cost. Donated capital assets are valued at their estimated fair market value on the date received. Depreciation of all exhaustible capital assets is charged against operations. Depreciation is computed over the estimated useful lives ranging from 5 to 45 years using the straight-line method.

Compensated Absences

Vested or accumulated vacation and sick leave are recorded on the Cameron Parish Police Jury records as the benefits accrued to employees. No liability is recorded for compensated absences that relate to future service or that are contingent on a specific event that is outside the control of the employer and employees.

CAMERON PARISH WATERWORKS DISTRICT NO. 10

December 31, 2006

Notes to the Financial Statements

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimated and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

2. CASH AND INVESTMENT COLLATERAL

Under state law, the District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in United States bonds, treasury notes, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment.

At December 31, 2006, the District had cash and investments as follows:

| | <u>UNRESTRICTED</u> | <u>RESTRICTED</u> | <u>TOTAL</u> |
|---|---------------------|-------------------|--------------------|
| Cash (demand deposits) and certificate of deposit | <u>\$949,053</u> | <u>\$236,333</u> | <u>\$1,185,386</u> |

At year end, the carrying amount of the District's deposits (demand deposits and certificates of deposit) was \$1,185,386, and the bank balances were \$1,185,622. A summary of collateralization of bank balances is presented below.

| | |
|--|--------------------|
| Insured (Federal deposit insurance) | \$ 200,000 |
| Uncollateralized (In accordance with GAAP - See below) | <u>985,622</u> |
| | <u>\$1,185,622</u> |

These 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 at least equal the amount on deposit with the fiscal agent.

CAMERON PARISH WATERWORKS DISTRICT NO. 10
December 31, 2006

Notes to the Financial Statements

The uncollateralized amount shown above is secured by pledged securities with a market value of \$992,730 in the name of the pledging fiscal agent banks in holding or custodial banks. Even though the pledged securities are considered uncollateralized under GAAP, Louisiana Revised Statutes impose 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

Receivables at December 31, 2006 consist of the following:

| | |
|--------------------------------|-------------------|
| Ad valorem taxes--unrestricted | \$157,621 |
| State revenue sharing | 70 |
| Accrued interest | 1,563 |
| FEMA | ----- |
| Accounts | <u>31,419</u> |
| Net total receivables | <u>\$ 190,673</u> |

The amount included in the ad valorem receivable on the balance sheet is for ad valorem taxes which attach as an enforceable lien on property as of January 1 of each year. Taxes are levied to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The District utilizes the Cameron Parish Tax Collector/Sheriff to bill and collect its property taxes using the assessed values determined by the tax assessor of Cameron Parish.

For the year ended December 31, 2006, taxes of 3.89 mills were levied on property with assessed valuation totaling \$40,519,691 and were dedicated to the operations of the water district.

The total amount levied was \$157,621. Furthermore, collections of delinquent and protested taxes and other adjustments resulted in total collections of \$261,467.

CAMERON PARISH WATERWORKS DISTRICT NO. 10

December 31, 2006

Notes to the Financial Statements (Continued)

4. CHANGES IN CAPITAL ASSETS

| | Balance <u>12/31/06</u> | <u>Additions</u> | <u>Retirements</u> | Balance <u>12/31/06</u> |
|---|----------------------------|------------------|--------------------|----------------------------|
| Land | \$ 15,120 | \$ --- | \$ --- | \$ 15,120 |
| Buildings | ----- | 5,272 | ----- | 5,272 |
| Improvements other than buildings | 4,912,747 | ----- | --- | 4,912,747 |
| Equipment | 96,649 | 52,476 | ----- | 149,125 |
| Furniture/Fixtures | 3,395 | ---- | ----- | 4,945 |
| Automobiles | 37,855 | 1,550 | ---- | 37,855 |
| Construction in progress | <u>-----</u> | <u>----</u> | <u>-----</u> | <u>----</u> |
| Totals | <u>5,065,766</u> | <u>\$ 59,298</u> | <u>\$ -----</u> | \$ 5,125,064 |
| Accumulated depreciation | | | | <u>(1,629,926)</u> |
| Net capital assets | | | | \$ <u>3,495,138</u> |

Depreciation expense included in the financial statements for the fiscal year is \$124,643.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

| | |
|----------------------------------|------------|
| Building | 10 years |
| Improvements other than building | 45 years |
| Furniture and equipment | 3-10 years |
| Automobiles | 5 years |

CAMERON PARISH WATERWORKS DISTRICT NO. 10
December 31, 2006

Notes to the Financial Statements (Continued)

5. PENSION PLAN

The District participates in a pension plan operated by the Cameron Parish Police Jury and disclosures for that plan are included in the Police Jury's audit report.

CAMERON PARISH WATERWORKS DISTRICT NO. 10
December 31, 2006

Notes to the Financial Statements (Continued)

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

| | LIMITS OF <u>COVERAGE</u> |
|--|---------------------------------|
| Workmen's compensation | \$ 225,000 |
| Auto liability | 1,000,000 |
| Commercial general liability | 2,000,000 |
| District-owned buildings and equipment | 105,000 |

The District covers all other losses, claim settlements, and judgments from operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The District was not involved in any litigation nor did it have asserted claims lodged against it.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

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W. Micheal Elliott, CPA

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

Board of Commissioners
Cameron Parish Waterworks District No. 10

I have audited the financial statements of the Cameron Parish Waterworks District No. 10 as of and for the year ended December 31, 2006, and have issued my report thereon dated June 10, 2007. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether the Cameron Parish Waterworks District No. 10 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*.

In planning and performing my audit of the financial statements of Cameron Parish Waterworks District No. 10 as of and for the year ended December 31, 2006 in accordance with auditing standards generally accepted in the United States of America, I considered Cameron Parish Waterworks District No. 10 internal control over financial reporting (internal control) as a basis for designing 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 the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I noted no deficiencies in internal control that I consider to be significant deficiencies.

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 District's 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 District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

This report is intended solely for the information and use of management and the Board of Commissioners, state awarding agencies and the Louisiana Legislative Auditor's office of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by Legislative Auditor as a public document.

Elliott & Assoc. "APAC"

Leesville, Louisiana

June 10, 2007

**CAMERON WATERWORKS DISTRICT NO. 10
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED December 31, 2006**

SECTION 1- SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? ___ yes x no

Reportable conditions identified
that are not considered to be
material weaknesses? ___ yes x no

Noncompliance material to financial
statements noted? ___ yes x no

*Management's Summary Schedule of Prior
Audit Findings* Attached

*Memorandum of Other Comments
and Recommendations* Not applicable

Management's Corrective Action Plan Not applicable

Federal Awards Not Applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

Not applicable

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable

**CAMERON WATERWORKS DISTRICT NO. 10
MANAGEMENTS' SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED December 31, 2006**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

There were no prior year findings relating to internal control and compliance material to the financial statements.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO
FEDERAL AWARDS**

There were no prior year findings relating to internal control and compliance material to federal awards.

SECTION III MANAGEMENT LETTER

There was no management letter with prior year audit report.

See independent auditor's report.

SUPPLEMENTAL INFORMATION

**CAMERON PARISH WATERWORKS DISTRICT NO. 10
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED December 31, 2006**

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution NO. 54 of the 1979 session of the Legislature.

As provided by Louisiana Revised Statute 33:4564, the Board Members received \$60 per diem during 2006.

| | <u>Number Attended</u> | <u>Amount</u> |
|----------------|----------------------------|----------------|
| Jessie Simon | 15 | \$ 900 |
| Lloyd Badon | 12 | 720 |
| Nathan Griffin | 13 | 780 |
| Connie Trahan | 15 | 900 |
| Jim Cox | <u>12</u> | <u>720</u> |
| Totals | <u>67</u> | <u>\$4,020</u> |