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CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

TABLE OF CONTENTS

BASIC FINANCIAL STATEMENTS

MARY SUE STAGES, CPA
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American Institute of Certified Public Accountants
Association of Governmental Accountants

INDEPENDENT AUDITORS' REPORT

Police Jurors of West Feliciana Parish
Consolidated Waterworks District No. 13
P. O. Box 1921
St. Francisville, Louisiana 70775

We have audited the accompanying financial statements of the business-type activities of the Consolidated Waterworks District No. 13 of West Feliciana Parish, a component unit of the West Feliciana Parish Police Jury, as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Consolidated Waterworks District No. 13 of West Feliciana Parish's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Consolidated Waterworks District No. 13 of West Feliciana Parish's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Consolidated Waterworks District No. 13 of West Feliciana Parish, a component unit of the West Feliciana Parish Police Jury, as of December 31, 2008 and 2007, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The required supplemental information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Consolidated Waterworks District No. 13 of West Feliciana Parish's management. It has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards,* we have also issued our report dated September 25, 2009, on our consideration of the Consolidated Waterworks District No. 13 of West Feliciana Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying supplementary information listed in the table of contents under Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mary Sue Stages, CPA

Mary Sue Stages, CPA,
A Professional Accounting Corporation
September 25, 2009

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008

Management's discussion and analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34. Its purpose is to provide an overview of the financial activities of the District based on currently known facts, decisions and/or conditions. It should be read in conjunction with the financial report taken as a whole.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

These financial statements are comprised of these components – (1) management's discussion and analysis, (2) fund financial statements, (3) notes to the financial statements and (4) required supplementary information. There is also other supplementary information contained in this report provided for additional information.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one category of funds: proprietary funds.

Proprietary funds. The District maintains only one type of proprietary fund – enterprise fund. Enterprise funds are used to report the functions financed and operated in a manner similar to private business where the intent of the governing body is that the cost (expenses including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. The District uses an enterprise fund to account for its water services.

Statements include the following:

Statement of Net Assets. This statement presents information on all of the District's assets and liabilities with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or not.

Statement of Revenues, Expenses and Changes in Fund Net Assets. This statement presents information showing how the District's net assets changed during the most recent 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. This statement is designed to show the District's financial reliance on general revenues.

Statement of Cash Flows. The change in cash as a result of current year operations is depicted in this statement. The cash flow statement includes a reconciliation of operating income (loss) to the net cash provided by or used for operating activities as required by GASB No. 34.

The fund financial statements can be found on pages 10-16 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The index of the notes is found on page 18 with the actual notes beginning immediately afterwards.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparisons beginning on page 31. This schedule indicates the District's compliance with its adopted and final revised budgets.

Other Information. Additionally, this report also presents certain other information that is deemed useful to users of this report.

FINANCIAL ANALYSIS OF THE DISTRICT

Net assets are an indicator of the District's financial position from year to year. A summary of net assets follows.

SUMMARY OF NET ASSETS
Business-type Activities

	2008	2007
Assets		
Current assets	$ 90,001.91	$ 214,149.83
Restricted assets	592,672.95	572,173.28
Capital assets, net	5,012,944.16	5,163,173.55
Total Assets	5,695,619.02	5,949,496.66
Liabilities		
Current liabilities	468,614.31	560,489.20
Long-term liabilities	2,816,003.42	2,956,957.50
Total Liabilities	3,284,617.73	3,517,446.70
Net Assets		
Invested in capital assets, net of accumulated depreciation and related debt	2,075,215.28	2,076,267.89
Restricted	592,672.95	572,173.28
Unrestricted	(256,886.94)	(216,391.21)
Net Assets	2,411,001.29	2,432,049.96

A summary of changes in net assets is as follows:

SUMMARY OF CHANGES IN NET ASSETS
Business-type Activities

	2008	2007
Revenues		
Charges for services	$ 1,291,517.73	$ 1,197,040.68
Other operating revenues	34,750.00	33,125.00
Non-operating revenues	89,349.60	250,905.73
Total Revenues	1,415,617.33	1,481,071.41
Expenses		
Operating	1,281,759.86	1,157,745.23
Non-operating	154,906.17	161,920.57
Total Expenses	1,436,666.03	1,319,665.80
Change in net assets	(21,048.67)	161,405.61
Net assets, beginning	2,432,049.96	2,270,644.35
Net assets, ending	2,411,001.29	2,432,049.96

Net assets decreased less during the current year by $21,049 representing a negative impact over the prior year of $182,454. This is a combination of increased operating expenses and the absence of any grants or other such contributions.

Cash flow activity of the District for the past two years is as follows:

SUMMARY OF CASH FLOWS
Business-type Activities

Cash and cash equivalents provided by (used for):	2008	2007
Operating activities	$ 253,724.95	$ 534,954.46
Non-capital financial activities	78,556.00	169,625.37
Capital and related financing activities	(414,228.86)	(882,699.86)
Investing activities	10,539.03	23,707.16
Net Change in Cash and Cash Equivalents	(71,408.88)	(154,412.87)
Cash and cash equivalents, beginning of year	642,427.78	796,840.65
Cash and cash equivalents, end of year	571,018.90	642,427.78

BUDGETARY HIGHLIGHTS

The District's actual operating revenues were $54,887 less than budgeted almost entirely due to over estimating water sales. Operating expenses were $143,010 more than budgeted authority. The most significant difference between actual and budgeted amounts was with depreciation. Actual depreciation was $284,264 while budgeted amounts were $98,000. This created a negative variance of $197,897 in expected operating income.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The District's investment in capital assets, net of accumulated depreciation and related debt at December 31, 2008 and 2007, was $2,076,215 and $2,076,268, respectively. Additions during the current year included a trailer at a cost of $3,792, continued relocation construction of $11,976 and meters costing $118,267. The District upgrades meters every year on a rotating basis so that the cost to replace old meters can be spread over time.

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS
Net of Accumulated Depreciation
Business-type Activities

	2008	2007
Non-depreciable Assets		
Land	$ 34,133.00	$ 34,133.00
Depreciable Assets		
Distribution system	4,936,154.33	5,024,303.18
Machinery & equipment	27,299.00	59,309.00
Vehicles	15,357.83	45,428.37
Capital Assets, net	5,012,944.16	5,163,173.55

Debt Administration: Long-term debt of the District includes payment of bonds. Total bonded debt outstanding at December 31, 2008 and 2007, was $2,955,729 and $3,086,906, respectively. The District paid $131,177 towards its bonded debt as well as $149,017 in related interest.

Principle and interest payments are funded by both ad valorem taxes and general revenues.

A summary of the long-term portion of bonds outstanding is as follows:

OUTSTANDING BONDS
Business-type Activities

	2008	2007
General obligation bonds:		
Refunding bonds, Series 1997	$ 364,000.00	$ 437,000.00
Revenue bonds:		
U.S. Dept. of Agriculture Rural Development	2,270,728.88	2,306,905.66
Revenue refunding bonds, Series 1999	53,000.00	75,000.00
Certificates of Indebtedness, Series 2007	268,000.00	268,000.00
Total	2,955,728.88	3,086,905.66

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations and demonstrate the District's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Sarah Coco, Consolidated Waterworks District No. 13 of West Feliciana Parish, P. O. Box 1921, St. Francisville, Louisiana 70775 or 225-635-3864.

FUND FINANCIAL STATEMENTS

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
STATEMENTS OF NET ASSETS
DECEMBER 31, 2008 AND 2007

	Business-type Activities	
	2008	2007
ASSETS		
Current Assets:		
Cash and cash equivalents	$ -	$ 91,653.98
Accounts receivable, net of allowance for doubtful accounts of $9,449 in 2008 and 2007	80,854.91	112,997.85
Prepaid expenses	9,147.00	9,498.00
Total Current Assets	90,001.91	214,149.83
Restricted Assets:		
Cash and cash equivalents	571,018.90	550,773.80
Taxes receivable, net	21,654.05	21,399.48
Total Restricted Assets	592,672.95	572,173.28
Capital Assets:		
Property, plant and equipment, at cost, net of accumulated depreciation of $4,180,241.01 in 2008 and $3,895,976.64 in 2007	5,012,944.16	5,163,173.55
TOTAL ASSETS	5,695,619.02	5,949,496.66

Continued

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
STATEMENTS OF NET ASSETS (Continued)
DECEMBER 31, 2008 AND 2007

	Business-type Activities	
	2008	2007
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Payable from current assets:		
Bank overdraft	$ 92,848.83	$ -
Accounts payable	39,913.01	238,520.10
Payroll withholdings and related payables	2,702.34	9,403.47
Due to other governmental agencies	13,713.00	13,713.00
Total Current Liabilities (Payable from Current Assets)	149,177.18	261,636.57
Payable from restricted assets:		
Bonds payable - general obligation	78,000.00	73,000.00
Bonds payable - revenue	83,061.06	75,351.00
Accrued interest payable	17,362.07	11,473.00
Customer deposits	141,014.00	139,028.63
Total Current Liabilities (Payable from Restricted Assets)	319,437.13	298,852.63
Total Current Liabilities	468,614.31	560,489.20
Long-Term Liabilities:		
Bonds payable - general obligation	12,764.18	143,679.35
Bonds payable - revenue	2,508,667.82	2,521,554.66
Compensated absences payable	21,335.60	18,402.84
Payable from restricted assets:		
Bonds payable - general obligation	273,235.82	220,320.65
Bonds payable - revenue	-	53,000.00
Total Long-Term Liabilities	2,816,003.42	2,956,957.50
Total Liabilities	3,284,617.73	3,517,446.70

Continued

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
STATEMENTS OF NET ASSETS (Continued)
DECEMBER 31, 2008 AND 2007

	Business-type Activities	
	2008	2007
Net Assets:		
Invested in capital assets, net of related debt	$ 2,075,215.28	$ 2,076,267.89
Restricted for customer deposits	141,014.00	139,028.63
Restricted for debt service and contingencies	451,658.95	433,144.65
Unrestricted	(256,886.94)	(216,391.21)
Total Net Assets	2,411,001.29	2,432,049.96
TOTAL LIABILITIES AND NET ASSETS	5,695,619.02	5,949,496.66

See Accompanying Notes and Auditors' Report

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
YEAR ENDED DECEMBER 31, 2008 AND 2007

		Business-type Activities	
		2008	2007
OPERATING REVENUES			
Charges for services:			
Water sales		$ 1,217,301.72	$ 1,127,075.46
Late/reconnection charges		45,629.01	43,290.22
Meter installations		28,587.00	26,675.00
Rental fees - hydrants		34,750.00	33,125.00
	Total Operating Revenues	1,326,267.73	1,230,165.68
OPERATING EXPENSES			
Administrative		48,101.67	43,699.82
Depreciation		284,264.37	224,152.64
Employee and related expenses		564,521.98	513,539.03
Occupancy		157,799.28	139,958.20
Personal services		227,072.53	236,395.54
	Total Operating Expenses	1,281,759.83	1,157,745.23
	Operating Income	44,507.90	72,420.45

Continued

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS (Continued)
YEAR ENDED DECEMBER 31, 2008 AND 2007

	Business-type Activities	
	2008	2007
NON-OPERATING REVENUES (EXPENSES)		
Interest earned	10,539.03	22,734.16
Grants and other contributions	-	136,761.10
Other revenues	500.00	5,393.25
Taxes - ad valorem	78,310.57	86,017.22
Interest expense	(154,906.17)	(157,491.50)
Uncollectible accounts	-	(4,429.07)
Total Non-Operating Revenues (Expenses)	(65,556.57)	88,985.16
Change in Net Assets	(21,048.67)	161,405.61
Net Assets, beginning	2,432,049.96	2,270,644.35
Net Assets, ending	2,411,001.29	2,432,049.96

See Accompanying Notes and Auditors' Report

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008 AND 2007

	Business-type Activities	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 1,360,396.04	$ 1,251,678.23
Cash paid to suppliers for goods/services	(538,380.74)	(206,534.18)
Cash paid to employees for services	(568,290.35)	(510,189.59)
Net Cash Provided by Operating Activities	253,724.95	534,954.46
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad valorem taxes received	78,056.00	168,661.19
Other non-operating expenses	-	(4,429.07)
Other non-operating revenues	500.00	5,393.25
Net Cash Provided by Non-Capital Financing Activities	78,556.00	169,625.37
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition/construction of capital assets	(134,034.98)	(1,006,553.46)
Proceeds of bond issuance	-	268,000.00
Proceeds of grants and other capital contributions	-	136,761.10
Interest paid on bonds	(149,017.10)	(157,491.50)
Principal paid on bond maturities	(131,176.78)	(123,416.00)
Net Cash Used for Capital and Related Financing Activities	(414,228.86)	(882,699.86)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	10,539.03	23,707.16
Net Cash Provided by Investing Activities	10,539.03	23,707.16

Continued

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
STATEMENTS OF CASH FLOWS (Continued)
YEAR ENDED DECEMBER 31, 2008 AND 2007

	Business-type Activities	
	2008	2007
Net Decrease in Cash and Cash Equivalents	$ (71,408.88)	$ (154,412.87)
Cash and Cash Equivalents, beginning of year	642,427.78	796,840.65
Cash and Cash Equivalents, end of year	571,018.90	642,427.78
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	44,507.90	72,420.45
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	284,264.37	224,152.64
(Increase) decrease in assets:		
Accounts receivable	32,142.94	17,647.92
Prepaid expenses	351.00	3,196.00
Increase (decrease) in liabilities:		
Accounts and other payables	(112,459.39)	215,573.98
Customer deposits	1,985.37	3,864.63
Compensated absences payable	2,932.76	(1,901.16)
Net Cash Provided by Operating Activities	253,724.95	534,954.46
BALANCE SHEET PRESENTATION OF CASH:		
Current Assets:		
Cash and cash equivalents	-	91,653.98
Restricted Assets:		
Cash and cash equivalents	571,018.90	550,773.80
Cash and Cash Equivalents, end of year	571,018.90	642,427.78

See Accompanying Notes and Auditors' Report

NOTES TO FINANCIAL STATEMENTS

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

INTRODUCTION

The Consolidated Waterworks District No. 13 of West Feliciana Parish (hereinafter referred to as the District), located in St. Francisville, Louisiana, was created by the West Feliciana Parish Police Jury as allowed under Louisiana Revised Statute 33:7702. The West Feliciana Parish Police Jury acts as the governing body. They are not paid for their services to the District.

The District was created to provide water resources to the citizens of West Feliciana Parish residing within the boundaries of the District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the District conforms to governmental accounting principles generally accepted in the United States of America. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the West Feliciana Parish Police Jury is the financial reporting entity for West Feliciana Parish. The District is considered a component unit of the West Feliciana Parish Police Jury because it appoints a voting majority of the District's governing body and its services are rendered within the Police Jury's boundaries. The accompanying financial statements present information only on the fund(s) 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 financial reporting entity.

Fund Accounting: The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the District are classified under one category: proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Proprietary Funds – used to account for governmental activities that are similar to activities performed by commercial enterprises in that goods/services are provided for a fee. Proprietary funds of the District include the following fund types:

1. Enterprise – account for operations (a) 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.

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification, and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

Basis of accounting refers to when revenues and expenses are recognized and reported and relates to the time of the measurement, regardless of the measurement focus applied. The fund statements of the District are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. In these statements, capital assets are reported and depreciated, and long-term debt is reported.

Application of FASB Statements and Interpretations: Reporting on business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Operating/Non-Operating Revenues: Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the District's water services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Budgets and Budgetary Accounting: The District adopts an annual budget prepared in accordance with the basis of accounting utilized by that fund. The governing body must approve any revisions that alter the total expenditures. Budget amounts lapse at year-end.

Cash and Cash Equivalents: Cash includes amounts in demand deposits. Cash equivalents include amounts in investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state of the United States or under the laws of the United States.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value, based on quoted market prices, with the corresponding increase or decrease reported in investment earnings.

Inventory: Inventory of the District includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Receivables: Trade receivables are recorded at management's estimate of the amount that is expected to be collected. This is based in part on historical information. Revenues become susceptible to accrual when they become both measurable and available.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: The District's assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of $1,000 or more for capitalizing assets. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows: distribution system – 40 years; equipment and furniture – 5 years and vehicles – 3 years.

In June 1999, the GASB issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the basic financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than $10 million. As a result of this exception, the District has elected to not report its governmental infrastructure retroactively. From this point forward, the District will use the basic approach to infrastructure reporting for its governmental activities when applicable. Currently, the District has no infrastructure assets.

Compensated Absences: Vested or accumulated vacation leave is recorded as a fund liability and operating expense in the year earned. In accordance with the provisions of Statement of Financial Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulated rights to receive sick pay benefits or vacation leave.

Net Assets: In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt
This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets
Net assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, the non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets
This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

NOTE 2 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents on hand (book balances) of the District are as follows:

LAMP, Inc.	$ 571,018.90

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

With the adoption of GASB Statement No. 40, only deposits are considered exposed to custodial credit risk are required to be disclosed. The District has no deposits exposed to custodial credit risk.

The District has investments in a local government investment pool that is administered by a non-profit corporation, LAMP, Inc. This corporation was organized under the laws of the State of Louisiana, and its purpose is to provide a safe environment for the placement of public funds in short-term, high-quality investments. Investments included in its portfolio, that is restricted to those issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its assigns, include only those with maturities of ninety days or less. This design allows participants immediate access to their funds. For this reason, the account balances at year-end are recorded in the accompanying financial statements as cash and cash equivalents.

Of the cash balances included above, all is restricted for public improvements and bond payments and for customers (deposits held). Certain proceeds of the revenue bonds, as well as certain resources set aside for their repayment are restricted by bond covenants. The 'revenue bond and interest sinking' account is used to segregate resources accumulated for debt service payments over the next twelve months. The 'reserve' account is used to report resources set aside to make up potential future deficiencies in this account. The 'contingency' account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

NOTE 3 – RECEIVABLES

The net receivables at December 31, 2008, are as follows:

Class of Receivables	
Taxes – ad valorem	$ 21,654.05
Customers	90,303.98
Allowance for bad debts	(9,449.07)
Net	102,508.96

The District utilizes the allowance method for the receivables estimated to not be collected. Accounts are written off as they become worthless.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets, not being depreciated				
Land	$ 34,133.00	$ .00	$ .00	$ 34,133.00

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets, being depreciated				
Distribution system	8,605,405.65	130,242.98	.00	8,735,648.63
Less: accumulated depreciation	3,581,102.47	218,391.83	.00	3,799,494.30
Net Distribution System	5,024,303.18	(88,148.85)	.00	4,936,154.33
Furniture	3,144.00	.00	.00	3,144.00
Less: accumulated depreciation	3,144.00	.00	.00	3,144.00
Net Furniture	.00	.00	.00	.00
Machinery & equipment	246,822.00	3,792.00	.00	250,614.00
Less: accumulated depreciation	187,513.00	35,802.00	.00	223,315.00
Net Machinery & Equipment	59,309.00	(32,010.00)	.00	27,299.00
Vehicles	167,533.00	.00	.00	167,533.00
Less: accumulated depreciation	122,104.63	30,070.54	.00	152,175.17
Net Vehicles	45,428.37	(30,070.54)	.00	15,357.83
Leasehold improvements	2,112.54	.00	.00	2,112.54
Less: accumulated depreciation	2,112.54	.00	.00	2,112.54
Net Leasehold Improvements	.00	.00	.00	.00
Capital Assets, being depreciated, net	5,129,040.55	(150,229.39)	.00	4,978,811.16
Capital Assets, net	5,163,173.55	(150,229.39)	.00	5,012,944.16

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

The payables, with the exception of intergovernmental liabilities, at December 31, 2008, are as follows:

Class of Payable	
Bank overdraft	$ 92,848.83
Trade	39,913.01
Payroll withholdings and related	2,702.34
Accrued interest	17,362.07
Customer deposits	141,014.00
Bonds payable – short-term portion	161,061.06
Total	454,901.31

NOTE 6 – INTERGOVERNMENTAL TRANSACTIONS

Intergovernmental transactions for the year ended December 31, 2008, were as follows:

Liabilities	
Due to other governmental agencies	$ 13,713.00

The purpose of this transaction occurred in a prior year. It represents salaries/related expenses for one employee that shared his time between the District and the West Feliciana Parish Police Jury.

NOTE 7 – LONG-TERM LIABILITIES

General Obligation Bonds. On January 22, 1998, the District issued $925,000 in general obligation bonds for the purpose of prepaying $821,925 of outstanding general obligation refunding bonds. This debt, with an interest rate of 7.2%, is payable in equal installments due each April through 2013. This obligation is secured by an annual ad valorem tax levy dedicated to the retirement of this debt under the terms of the bond indenture. This revenue source must be set aside in a separate account in this manner:

> "A monthly deposit into the 'Bond and Interest Sinking' account in an amount equal to 1/12th of the principal and 1/6th of the interest falling due on the next payment date for the bonds."

Revenue Bonds. On March 20, 1997, the District issued $2,600,000 in revenue bonds for the purpose of improving and extending the waterworks system. Repayment is made through monthly payments of principal and interest in the amount of $12,558 at a rate of 5%. Such payments will continue through 2037. The following requirements are included in the terms of the bond indenture:

> "A monthly deposit into the 'Reserve' account in the amount of $735. This sum must be deposited monthly into this account until $150,696 has been accumulated therein. Monies in the 'Reserve' account will be used solely for the purpose of paying principal and interest on such bonds as to which there would otherwise be a default."

> "A monthly deposit into the 'Contingency' account in the amount of $799 for the purpose of caring for extensions, additions, improvements and replacements necessary to properly operate the Waterworks System. Such account may be used for the purpose of payment of bonds for which there is not enough money in the 'Sinking' account or 'Reserve' account."

The District issued $211,000 in refunding bonds in October of 1999, at varying rates of interest beginning at 5.05% and increasing annually to 6.1% with the first principal payment due April 1, 2000.

The purpose of these bonds was to prepay and refund $219,480 in outstanding bonds dated April 6, 1989. Repayment of principal on this debt is made in annual installments with the final payment being paid in April of 2011.

The following terms as stipulated in the bond indenture are required:

"A monthly deposit into the 'Bond and Interest Sinking' account in an amount equal to 1/12th of the principal and 1/6th of the interest falling due on the next payment date for the bonds.

A monthly deposit into the 'Reserve' account equal to 5% of the payments to the 'Bond and Interest Sinking' account until such time as there has been accumulated therein a sum equal to the highest combined principal and interest requirements for any year on bonds payable from the 'Sinking' account. Monies in the 'Reserve' account will be used solely for the purpose of paying principal of and interest on such bonds as to which there would otherwise be a default.

A monthly deposit into the 'Contingency' account equal to 5% of the payments to the 'Bond and Interest Sinking' account for the purpose of caring for depreciation, extension, additions, improvements and replacements necessary to properly operate the waterworks system. Such account may also be used for the purpose of payment of bonds for which there is not sufficient money in the 'Bond and Sinking Interest' account or 'Reserve' account.

The District issued $268,000 in certificates of indebtedness in October of 2007, at varying rates of interest with an average of 5.76% (combined) with the first principal payment due February 1, 2008. Of this amount, $40,000 is due to the Louisiana Public Facilities Authority at no interest and principal payments of $8,000 annually until paid. The purpose of this issue was to fund continued relocation construction costs.

The following is a summary of changes in long-term liabilities for the year ended December 31, 2008:

	Beginning Balance	Addition	Reductions	Ending Balance	Due Within One Year
General obligation	$ 437,000.00	$ .00	$ 73,000.00	$ 364,000.00	$ 78,000.00
Revenue	2,649,905.66	.00	58,176.78	2,591,728.88	83,061.06
Total	3,086,905.66	.00	131,176.78	2,955,728.88	161,061.06

The annual debt service requirements to maturity for bonded debt as of December 31, 2008, are as follows:

	General Obligaton Bonds		Revenue Bonds	
Year Ending December 31	Principle	Interest	Principle	Interest
2009	$ 78,000.00	$ 23,400.00	$ 83,061.06	$ 124,895.54
2010	85,000.00	17,532.00	88,008.34	120,908.76
2011	92,000.00	11,160.00	75,055.27	117,213.13
2012	99,000.00	4,284.00	70,206.88	114,043.42
2013	10,000.00	360.00	73,468.57	110,977.13
Next five years	.00	4,644.00	334,896.30	497,117.74
Next five years	.00	.00	330,291.46	406,290.20
Next five years	.00	.00	423,882.43	307,910.96
Next five years	.00	.00	543,993.17	181,655.08
Next five years	.00	.00	568,865.40	33,815.83
Total	364,000.00	56,736.00	2,591,728.88	2,014,827.79

NOTE 8 – LEASES

Operating Leases. The District leases space from the West Feliciana Parish Police Jury on a month-to-month basis at a rate of $200 per month. Total rent paid during the year was $2,400.

Capital Leases. The District has no capital leases.

NOTE 9 – RETIREMENT PLAN

Substantially all employees of the Consolidated Waterworks District No. 13 of West Feliciana Parish are members of the Parochial Employees Retirement System of Louisiana, a multiple-employer, public employee retirement system (PERS) controlled and administered by a separate board of trustees. All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate. Contributions of participating agencies are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

The System is composed of two distinct plans – Plan A and Plan B – with separate assets and benefit provisions. All participants of the District are members of Plan B. Under Plan B, employees who retire at or after age 62 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to retirement benefits, payable monthly for life, equal to 2% of their final average salary in excess of $100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service but less than 30 years may take early retirement benefits commencing at or after age 60, with the benefit reduced 3% for each year retirement precedes age 62. In any case, monthly retirement benefits paid under Plan B cannot exceed the lesser of 100% of final-average salary or $70 multiplied by total years of creditable service.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. The same statute establishes these benefits.

Funding Policy: Contributions to the system include ¼ of 1% of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge. These tax dollars are divided between Plans A and B, based proportionately on the salaries of the active members of each plan. State statutes require covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

Plan members are required to contribute 3% of their annual covered salary and the District is required to contribute 5.25% of annual covered payroll. The District' s contributions to the System for the years ending December 31, 2008, 2007 and 2006, were $25,999, $23,057 and $19,629, respectively, equal to the required contributions for each year. Under present statutes, the District does not guarantee the benefits granted by the system.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, P. O. Box 14619, Baton Rouge, Louisiana 70898.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

The District does not provide post-employment benefits.

NOTE 11 – RELATED PARTY TRANSACTIONS

The District paid $2,400 to the West Feliciana Parish Police Jury for office space rent during the year. The District is a component unit of this other governmental agency.

NOTE 12 – LITIGATION AND CLAIMS

The District is a party to a lawsuit involving right of way issues that was originally ruled in the District's favor. There is no financial impact expected as a result of final disposition.

NOTE 13 – SUBSEQUENT EVENTS

There were no events between the close of the year through issuance of this report that would materially impact these basic financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual Amounts (Budgetary	Variance with Final Budget Positive
	Original	Final	Basis)	(Negative)
OPERATING REVENUES				
Charges for services:				
Water sales	$ 1,290,955.00	$ 1,290,955.00	$ 1,217,301.72	$ (73,653.28)
Late/reconnection charges	30,000.00	30,000.00	45,629.01	15,629.01
Meter installation	25,200.00	25,200.00	28,587.00	3,387.00
Rental fees - hydrant	35,000.00	35,000.00	34,750.00	(250.00)
Total Operating Revenues	1,381,155.00	1,381,155.00	1,326,267.73	(54,887.27)
OPERATING EXPENSES				
Computer	13,500.00	13,500.00	14,735.08	(1,235.08)
Depreciation	98,000.00	98,000.00	284,264.37	(186,264.37)
Dues	5,000.00	5,000.00	6,278.55	(1,278.55)
Insurance - general	39,000.00	39,000.00	24,787.38	14,212.62
Insurance - health	40,000.00	40,000.00	43,423.85	(3,423.85)
Insurance - workers compensation	2,600.00	2,600.00	14,307.30	(11,707.30)
Office rent	2,400.00	2,400.00	2,400.00	-
Office supplies	3,000.00	3,000.00	3,966.50	(966.50)
Payroll taxes	23,850.00	23,850.00	29,003.40	(5,153.40)
Postage	8,000.00	8,000.00	9,696.96	(1,696.96)
Professional fees	15,000.00	15,000.00	9,950.49	5,049.51
Repairs and maintenance	210,300.00	210,300.00	95,776.11	114,523.89
Retirement	25,000.00	25,000.00	25,998.61	(998.61)
Salaries	450,000.00	450,000.00	451,788.82	(1,788.82)
Seminars/workshops	6,000.00	6,000.00	-	6,000.00
Telephone	9,000.00	9,000.00	22,112.15	(13,112.15)
Utilities	125,000.00	125,000.00	108,499.75	16,500.25

Continued

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE (Continued)
YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Vehicle operations	$ 55,000.00	$ 55,000.00	$ 62,733.73	$ (7,733.73)
Water purchased	1,500.00	1,500.00	1,035.24	464.76
All other expenses	6,600.00	6,600.00	71,001.54	(64,401.54)
Total Operating Expenses	1,138,750.00	1,138,750.00	1,281,759.83	(143,009.83)
Operating Income (Loss)	242,405.00	242,405.00	44,507.90	(197,897.10)
NON-OPERATING REVENUES (EXPENSES)				
Interest earned	8,632.00	8,632.00	10,539.03	1,907.03
Other revenues	-	-	500.00	500.00
Taxes - ad valorem	86,050.00	86,050.00	78,310.57	(7,739.43)
Interest expense	(152,552.00)	(152,552.00)	(154,906.17)	(2,354.17)
Total Non-Operating Revenues (Expenses)	(57,870.00)	(57,870.00)	(65,556.57)	(7,686.57)
Change in Net Assets	184,535.00	184,535.00	(21,048.67)	(205,583.67)
Net Assets, beginning	2,432,049.96	2,432,049.96	2,432,049.96	-
Net Assets, ending	2,616,584.96	2,616,584.96	2,411,001.29	(205,583.67)

SUPPLEMENTARY INFORMATION

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULES OF OPERATING EXPENSES
YEAR ENDED DECEMBER 31, 2008 AND 2007

	Business-type Activities	
	2008	2007
ADMINISTRATIVE		
Office supplies	$ 3,966.50	$ 3,131.02
Computer expenses	14,735.08	13,652.88
Dues	6,278.55	4,559.62
Miscellaneous	3,474.09	2,866.40
Postage	9,696.96	8,334.31
Professional fees	9,950.49	11,155.59
Total Administrative	48,101.67	43,699.82
DEPRECIATION	284,264.37	224,152.64
EMPLOYEE AND RELATED EXPENSES		
Health insurance	43,423.85	33,170.93
Payroll taxes	29,003.40	29,852.79
Retirement	25,998.61	23,056.78
Salaries and wages	451,788.82	397,033.90
Seminars/workshops	-	4,296.63
Workers' compensation	14,307.30	26,128.00
Total Employee and Related Expenses	564,521.98	513,539.03
OCCUPANCY		
Insurance	24,787.38	28,680.00
Office rent	2,400.00	2,400.00
Telephone	22,112.15	10,114.31
Utilities	108,499.75	98,763.89
Total Occupancy	157,799.28	139,958.20

Continued

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULES OF OPERATING EXPENSES (Continued)
YEAR ENDED DECEMBER 31, 2008 AND 2007

	Business-type Activities 2008	Business-type Activities 2007
PERSONAL SERVICES		
Chlorine	$ 46,307.04	$ 38,657.28
Consumables	3,692.38	4,111.61
DHH fees	10,094.40	10,275.12
Maintenance and repairs	90,841.34	96,863.67
Maintenance and repairs - hydrants	4,934.77	-
Meter installation	4,497.93	12,256.86
Purchases of water	1,035.24	9,440.95
Testing of samples	158.62	2,104.51
Tools	2,777.08	7,909.58
Vehicle operations	62,733.73	54,775.96
Total Personal Services	227,072.53	236,395.54
TOTAL OPERATING EXPENSES	1,281,759.83	1,157,745.23

See Auditors' Report

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE
YEAR ENDED DECEMBER 31, 2008

Coverage	Insurance Company	Expiration	Liability Limits
General liability	St. Paul Insurance Co.	4/25/09	$1,000,000 per occurrence $2,000,000 annual aggregate
Auto liability and Physical damage	St. Paul Insurance Co.	4/25/09	$1,000,000 uninsured motorist $1,000,000 each accident
Property	St. Paul Insurance Co.	4/25/09	$4,385,200 per occurrence
Position bond	Western Surety Co.	8/02/09	$200,000 president $200,000 secretary/treasurer $50,000 water superintendent $50,000 asst. water superintendent $20,000 others
Inland marine	St. Paul Insurance Co.	6/06/09	$684,866 aggregate
Workers' Compensation	La. Parish Government Risk Management Agency	12/31/09	$1,000,000 each accident
Terrorism risk	St. Paul Insurance Co.	4/25/09	Varies

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF INFORMATION REQUIRED BY RURAL DEVELOPMENT
YEAR ENDED DECEMBER 31, 2008

Item No. 1
The District's customers' accounts receivable at December 31, 2008, is comprised of the following:

	0-30 days	31+ days	Total
No.	2,385	1,131	3,516
Amount	\$16,328	\$73,976	\$90,304

Item No. 2
The District's water rates at December 31, 2008, were as follows:

Residential	
≤ 2,000 gallons	\$9.00 minimum
> 2,000 gallons	\$3.00 per thousand gallons
Commercial	
≤ 10,000 gallons	\$33.75 minimum
> 10,000 gallons	\$3.00 per thousand gallons
School	
≤ 25,000 gallons	\$56.25 minimum
> 25,000 gallons	\$3.00 per thousand gallons

Item No. 3
The number of residential and non-residential users at December 31, 2008, is 3,427 and 89, respectively.

Item No. 4
The District is operated under the authority of the West Feliciana Parish Police Jury. The jurors are not compensated for their services through the District.

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AMOUNTS
YEAR ENDING DECEMBER 31, 2009

OPERATING REVENUES

Charges for services:		
Water sales		$ 1,260,180.00
DHH/fire protection charges		45,175.00
Late/reconnection charges		30,000.00
Meter installations		25,200.00
Rental fees - hydrants		35,000.00
	Total Operating Revenues	1,395,555.00

OPERATING EXPENSES

Chlorine	40,000.00
Computer	13,500.00
Consumables	5,000.00
DHH fees	14,400.00
Dues and registrations	7,000.00
Fire hydrant repair	12,000.00
Insurance - general	39,000.00
Insurance - health	32,000.00
Insurance - workers' comp	35,000.00
Meter installation	22,500.00
Office rent	2,400.00
Office supplies	3,600.00
Payroll taxes	32,850.00
Postage	10,000.00
Professional services	15,000.00
Repairs and maintenance	120,000.00
Retirement	23,000.00
Salaries	416,000.00
Sample testing	4,800.00
Seminars	6,000.00

Continued

Telephone	$ 9,000.00
Tools	6,000.00
Utilities	125,000.00
Vehicle operation	55,000.00
Water purchased	1,500.00
Capital outlay	98,000.00
All other	4,600.00
Total Operating Expenses	1,153,150.00
Operating Income	242,405.00
NON-OPERATING REVENUES (EXPENSES)	
Interest earned	8,632.00
Ad valorem taxes	86,050.00
Miscellaneous	12,850.00
Interest expense	(152,552.00)
Total Non-Operating Revenues (Expenses)	(45,020.00)
Change in Net Assets	197,385.00
Net Assets, beginning	2,411,001.29
Net Assets, ending	2,608,386.29

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
WEST FELICIANA PARISH POLICE JURY MEMBERS
YEAR ENDED DECEMBER 31, 2008

Lea Reid Williams P. O. Box 516 St. Francisville, LA 70775 (225) 635-6540	District 1
Randy Stevens 2978 La. Highway 966 St. Francisville, LA 70775 (225) 635-6621	District 2
John C. Cobb 10637 Tunica Trace St. Francisville, LA 70775 (225) 635-6177	District 3
Billy D. Shoemake P. O. Box 162 Tunica, LA 70782 (225) 655-3294	President/District 4
John K. Roach 15456 La. Highway 421 St. Francisville, LA 70775 (225) 635-6464	District 5
Kenneth Dawson P. O. Box 32 St. Francisville, LA 70775 (225) 635-4935	District 6
Otis L. Wilson P. O. Box 162 St. Francisville, LA 70775 (225) 721-0881	Vice-President/District 7

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Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental 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*

Police Jurors of West Feliciana Parish
Consolidated Waterworks District No. 13
P. O. Box 1921
St. Francisville, Louisiana 70775

We have audited the financial statements of the business-type activities of the Consolidated Waterworks District No. 13 of West Feliciana Parish, as of and for the year ended December 31, 2008, which collectively comprise the Consolidated Waterworks District No. 13 of West Feliciana Parish's basic financial statements and have issued our report thereon dated September 25, 2009. We conducted our 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 our audit, we considered the Consolidated Waterworks District No. 13 of West Feliciana Parish's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Waterworks District No. 13 of West Feliciana Parish's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Consolidated Waterworks District No. 13 of West Feliciana Parish's internal control over financial reporting.

Our consideration of internal control over financial reporting 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and that we consider to be material weaknesses.

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 governmental agency'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 on the agency's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses as 2008-01, 2008-02 and 2008-03 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the governmental agency's internal control. We believe that the significant deficiencies identified in the preceding paragraph constitute material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Consolidated Waterworks District No. 13 of West Feliciana Parish's financial statements are free of material misstatement, we 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 our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is described in the accompanying schedule of findings and respones as finding 2008-03.

This report is intended solely for the information and use of management, the West Feliciana Parish Police Jury, the Legislative Auditor and others within the entity 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 the Legislative Auditor as a public document.

Mary Sue Stages, CPA

Mary Sue Stages, CPA,
A Professional Accounting Corporation
September 25, 2009

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2008

We have audited the basic financial statements of the Consolidated Waterworks District No. 13 of West Feliciana Parish as of and for the year ended December 31, 2008, and have issued our report thereon dated September 25, 2009. We conducted our 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. Our audit of the financial statements as of December 31, 2008, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

A. Report on Compliance and Internal Control Material to the Financial Statements

Compliance	Material to Financial Statements	■ No
Internal Control	Significant Deficiency(ies)	■ Yes
	Material Weaknesses	■ Yes

B. Federal Awards

N/A

C. Identification of Major Programs

N/A

Section II Financial Statement Findings

2008-01 Inadequate Internal Control over Financial Reporting/Statements

Criteria. Generally accepted accounting principles requires that an effective internal control system be adopted and implemented so that the District will have the ability to initiate, authorize, record, process and report financial data reliably.

Condition. The current system does not provide accounting processes for timely, complete and accurate financial data such that a reliable financial statement can be produced. There is not appropriate segregation of duties or levels of approval to create an atmosphere of strong internal control. There are no timelines that provide for timely submission of financial data so that an effective audit can be completed.

Impact. Current balances for assets, liabilities and net assets are inaccurate because beginning balances are not entered. The current year includes deficit cash balances that occurred without detection as a result.

Continued

Recommendation. We recommend that an internal control system be designed and adopted that identifies the District's significant accounting processes. These processes should clearly identify the activities and procedures required to initiate, authorize, record, process and report transactions that will provide reliable financial data on a daily, monthly, quarterly and annual basis.

Management's Response. Management has recognized that its policies and procedures manual is outdated and incomplete. It has recently begun taking the necessary steps to create a manual that clearly defines the processes required for an effective internal control system.

2008-02 Periodic Reconciliations/Review

Criteria. An effective internal control system ensures that transactions and accounts analyses and reconciliations performed in conjunction with the financial statement close process are adequately performed and reviewed.

Condition. There are no processes in place to reconcile significant items on a periodic basis such as the customer accounts receivable ledger to the general ledger. A review of the general ledger is not made on a monthly basis to ensure accuracy allowing for misstatements and non-GAAP practices. Additionally, there are no processes in place to safeguard assets or to perform physical inventory counts.

Impact. Errors, omissions or inconsistencies are not detected timely, and as a result, the financial records are not accurate or complete. Assets aren't safeguarded from theft or abuse.

Recommendation. We again recommend the design and implementation of an effective internal control system that specifically identifies who will be responsible for the processes necessary and by when should they be performed and completed.

Management's Response. We recognize the need for clearly defined processes. We will comply with this recommendation as indicated under our response to finding 2008-01 above.

2008-03 Compliance with Audit Law

Criteria. Louisiana Revised Statute 24:513 requires that an audited financial statement be submitted to the Legislative Auditor within six months of the close of an entity's fiscal year. This equates to June 30th for the District. This deadline was not met for the year ended December 31, 2008. It has not been met in several years.

Condition. There are no processes in place to ensure that the books are closed in sufficient time to allow for an independent auditor to effectively perform the appropriate attest services.

Continued

Impact. The District is not in compliance with applicable laws.

Recommendation. We again recommend the design and implementation of an effective internal control system that specifically identifies who will be responsible for the processes necessary and by when should they be performed and completed.

Management's Response. We will comply with this recommendation and plan to close the books and provide all requested information to the auditor on or about 45 days following year-end.

Section III Federal Award Findings and Questioned Costs

N/A

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 2008

Section I Internal Control and Compliance Material to the Financial Statements

2008-01 Inadequate Internal Control *Recommendation:* The District should design, adopt and implement an effective internal control system	*Unresolved* Steps currently being taken to design and implement processes
2008-02 Periodic Reconciliations/Review *Recommendation:* The District should design, adopt and implement an effective internal control system	*Unresolved* Steps currently being taken to design and implement processes
2008-03 Compliance with Audit Law *Recommendation:* The District should file its annual financial statements in accordance with LSA RS 24:514.	*Unresolved* Plans to conduct formal close on or about 45 days following year-end

Section II Compliance and Internal Control Material to Federal Awards

None

Section III Management Letter

CONSOLIDATED WATERWORKS DISTRICT NO. 13
OF WEST FELICIANA PARISH
ST. FRANCISVILLE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2008

Section I **Compliance and Internal Control Material to the Financial Statements**

Please refer to management's response included in the schedule of findings and responses.

Section II **Compliance and Internal Control Material to Federal Awards**

N/A

Section III **Management Letter**

N/A