

GREATER COACHITA WATER COMPANY
MONROE, LOUISIANA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED AUGUST 31, 2000 AND 2002
AND
INDEPENDENT AUDITORS' REPORT

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

Release Date: 02-17-04

GREATER CHICAGO WATER COMPANY
 FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
 FOR THE YEARS ENDED AUGUST 31, 1963 AND 1962

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CERTIFIED PUBLIC ACCOUNTANTS

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NUMBER 7, WEISS 01, 02A

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Greater Ouachita Water Company
Monroe, Louisiana

We have audited the accompanying statements of financial position of Greater Ouachita Water Company, as of August 31, 2003, and 2002, and the related statements of activities, margins, and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Ouachita Water Company, as of August 31, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles accepted in the United States of America.

William Weiss
WEISS AND WEISS

Monroe, Louisiana
November 10, 2003

GREATER CINCINNATI WATER COMPANY
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED AUGUST 31, 2003 AND 2002

ASSETS

	AUGUST 31	
	2003	2002
PLANT & EQUIPMENT		
Cost of Systems	21,886,123.64	26,287,169.62
Accumulated Depreciation	9,429,982.24	8,430,852.26
	12,456,141.40	17,856,317.36
Net Plant & Equipment	12,456,141.40	17,856,317.36
INVESTMENTS - CURRENT		
Revenue Fund	8.00	20,000.00
Interest Fund	529,441.23	338,808.75
Reserve Fund	250,800.00	269,437.50
Renewals, Replacements & Extensions Fund	112,409.28	111,288.18
Sinking Fund	388,900.00	198,000.00
Redemption Payment Account	0.00	0.01
Series 2003 Bonds Fund	3,888,079.00	0.00
	6,512,325.43	725,656.44
Total Investments - Current	6,512,325.43	725,656.44
CURRENT ASSETS		
General Fund Cash	299,967.26	198,828.65
Accounts Receivable - Customers	828,818.80	828,120.20
Accounts Receivable - Returned Checks	18,864.00	13,179.22
Accounts Receivable - Other	528.00	528.00
	1,658,178.06	1,850,656.07
Allowance for Bad Accounts	4,678.00	4,467.74
	1,653,500.06	1,846,188.33
Prepaid Expenses	58,486.29	48,371.87
	1,711,986.35	1,894,560.20
Total Current Assets	1,711,986.35	1,894,560.20
DEFERRED CHARGES		
Unamortized Bond Issue Expense (Note B)	164,348.50	116,888.32
	164,348.50	116,888.32
Total Deferred Charges	164,348.50	116,888.32
TOTAL ASSETS	14,332,476.68	19,513,942.90

GREATER OMAHA WATER COMPANY
STATEMENT OF FINANCIAL POSITION
FOR THE YEARS ENDED AUGUST 31, 1993 AND 1992

LIABILITIES

	AUGUST 31	
	1993	1992
LONG-TERM DEBT (NOTE 9)		
Bonds Payable - Series 1991A	3,350,000.00	3,448,000.00
Bonds Payable - Series 1992A Improvements	3,250,000.00	3,310,000.00
Bonds Payable - Series 2000	9,800,000.00	0.00
Less Current Maturities of Long-Term Debt	(200,000.00)	(190,000.00)
	13,350,000.00	4,568,000.00
DEFERRED LIABILITIES		
Interest Payable	129,641.25	128,818.70
CURRENT LIABILITIES		
Accounts Payable - Trade	298,700.24	228,078.10
Accounts Payable - West Omaha Sewer	157,120.83	262,947.84
Accounts Payable - Other Sewer	83,030.58	75,223.20
Current Maturities of Long-Term Debt	200,000.00	190,000.00
Payroll Taxes Payable	627.84	627.83
Sales Taxes Payable	1,700.00	13,410.00
Notes Payable - Bank One	0.00	2,918,000.00
	821,801.41	3,488,067.07
DEFERRED LIABILITIES		
Customer Meter Deposits	528,437.00	482,993.50
	14,829,878.66	8,853,712.37
TOTAL LIABILITIES	14,829,878.66	8,853,712.37
SURPLUS		
CONTRIBUTION IN AID OF CONSTRUCTION (Non-Refundable)	3,990,000.14	3,548,169.33
UNAPPORTIONED SURPLUS	7,480,757.68	7,096,680.00
	11,470,757.82	10,644,849.33
TOTAL LIABILITIES & SURPLUS	26,300,636.48	19,498,561.70

GREATER DESPLIETH WATER COMPANY
STATEMENTS OF ACTIVITIES

	TOTAL SYSTEM	
	YEAR ENDED MARCH 31	2000
	2001	2000
OPERATING REVENUE		
Charges for Services	4,775,757.00	4,488,747.78
Forfeited Discounts	38,142.88	85,344.55
Reconnect Charges	118,885.88	89,648.88
Sewer Inspection Fees	378.88	1,150.00
Total Operating Revenue	4,932,164.54	4,664,891.21
DIRECT OPERATING EXPENSES		
Operating Contract	1,329,911.18	1,882,454.55
Power	589,283.35	452,258.68
Maintenance	482,825.56	378,328.31
Chemicals - Sewer	82,352.56	77,179.94
Testing - Sewer	20,328.80	14,885.80
Engineering Services	63,285.90	49,879.43
Water Purchased	672,828.41	656,730.18
Water Used in Sewer Plant	3,898.74	487.40
Service & Franchise Fees	18,502.99	11,354.29
Right of Way	3,000.00	5,638.88
Total Direct Operating Expenses	3,885,368.38	3,748,528.67
NET OPERATING INCOME	1,046,796.16	916,362.54
ADMINISTRATIVE EXPENSES	355,433.13	338,783.48
NET OPERATING PROFIT	691,363.03	577,579.06
OTHER INCOME	32,943.78	79,482.88
	1,024,306.81	657,061.94
OTHER EXPENSES	332,828.68	352,828.39
NET INCOME BEFORE AMORTIZATION & DEP'N.	691,478.13	304,233.55
AMORTIZATION & DEPRECIATION		
Amort. of Bond Issue Exp.-1994A	3,357.48	3,357.48
Amort. of Bond Issue Exp.-23a,b	11,988.48	11,988.48
Depreciation Expense	894,858.00	822,587.00
Total Amortization & Depreciation	910,203.96	838,932.96
NET INCOME FOR THE YEAR	181,274.17	165,300.59

GREATER OMAHA WATER COMPANY
STATEMENTS OF ACTIVITIES

WATER SYSTEM		SEWER SYSTEM	
YEAR ENDED AUGUST 31	2002	YEAR ENDED AUGUST 31	2002
3,852,357.96	3,800,825.40	927,399.13	801,922.30
88,142.00	88,298.25	0.00	0.00
119,859.00	88,046.00	0.00	0.00
0.00	0.00	918.00	1,150.00
<u>4,070,359.46</u>	<u>4,078,114.95</u>	<u>928,317.13</u>	<u>803,072.30</u>
500,849.83	804,206.45	327,161.35	318,248.10
482,869.83	328,822.27	137,777.63	132,436.27
381,839.33	282,376.97	188,689.33	98,887.34
0.00	0.00	82,352.54	77,179.94
0.00	0.00	20,328.00	16,805.00
63,205.89	32,128.67	0.00	0.00
672,924.81	656,331.70	0.00	0.00
0.00	0.00	1,009.74	657.81
1,139.99	8,998.35	9,523.88	3,198.00
0.00	5,270.00	3,000.00	350.00
<u>2,823,576.18</u>	<u>2,178,145.11</u>	<u>821,722.61</u>	<u>888,779.38</u>
1,848,774.28	1,522,948.88	306,825.52	237,692.82
332,089.51	246,187.08	123,287.42	90,286.40
1,418,888.77	1,262,762.76	183,267.68	187,886.62
32,841.78	29,402.88	0.00	0.00
1,647,830.26	1,292,384.88	489,287.90	143,096.42
138,092.32	132,267.80	212,888.96	219,552.27
<u>1,785,922.44</u>	<u>1,424,116.72</u>	<u>(18,300.88)</u>	<u>(72,455.85)</u>
0.00	0.00	0,387.80	1,257.60
3,596.88	3,558.50	0,352.70	8,392.78
662,856.00	598,222.00	231,898.00	224,164.88
<u>667,452.88</u>	<u>601,919.90</u>	<u>242,844.38</u>	<u>235,334.38</u>
<u>642,179.84</u>	<u>557,197.80</u>	<u>(271,145.88)</u>	<u>(508,390.22)</u>

GREATER QUINCY WATER COMPANY
 STATEMENT OF SURPLUS
 FOR THE YEARS ENDED AUGUST 31, 2003 AND 2002

	AUGUST 31	
	2003	2002
CONTRIBUTIONS IN AID OF CONSTRUCTION		
Balance - Beginning	3,566,349.33	3,254,927.82
Additions		
Water Tap Fees	226,800.00	167,363.75
Sewer Tap Fees	30,150.00	32,827.16
Other	157,979.93	143,828.50
Balance - Ending	3,982,279.26	3,599,947.23
UNAPPORTIONED SURPLUS		
Balance - Beginning	7,096,061.30	6,847,256.51
Additions		
Net Income For The Year	387,696.50	248,806.79
Balance - Ending	7,483,757.80	7,096,063.30
TOTAL SURPLUS - ENDING	11,466,037.06	10,696,010.53

GREATER CONCRETE WATER COMPANY
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED AUGUST 31, 2003 AND 2002

	<u>YEAR ENDED AUGUST 31</u> <u>2003</u>	<u>2002</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income	307,696.50	248,806.79
Noncash Items Included In Net Income		
Amortization of Bond Discount	0.00	0.00
Amortization of Bond Issue Expense	15,347.20	15,347.20
Depreciation	884,958.00	832,507.00
Changes in:		
Accounts Receivable	(52,163.72)	(163,593.23)
Prepaid Expenses	(28,828.62)	(3,388.76)
Unamortized Bond Issue Expense	(85,488.00)	0.00
Interest Payable	(5,377.56)	(8,868.00)
Accounts Payable - Trade	32,129.01	(188,088.00)
Accounts Payable - Sewers	(8,438.43)	1,988.83
Payroll Taxes	0.00	57.97
Sales Taxes	(11,311.88)	1,336.00
	<u>183,796.75</u>	<u>(536,003.85)</u>
Net Cash Provided by (Used by) Operating Activities	491,493.25	712,802.94
CASH FLOW FROM INVESTING ACTIVITIES		
Pland & Equipment	(1,779,013.72)	(1,934,488.16)
Net Cash Provided by (Used by) Investing Activities	(1,779,013.72)	(1,934,488.16)
CASH FLOW FROM FINANCING ACTIVITIES		
Investments in Special Funds	(3,777,489.01)	(38,333.84)
Customer Meter Deposits	38,343.50	32,023.50
Contributions in Aid of Construction	828,038.81	351,441.81
Loan From Central Bank	(2,919,000.00)	1,819,000.00
Redemption of Bonds Payable	(180,000.00)	(180,000.00)
Issue of Series 2002 Bonds Payable	3,000,000.00	
	<u>678,985.30</u>	<u>1,384,131.67</u>
Net Cash Provided by (Used by) Financing Activities	(1,100,028.42)	(1,221,686.22)
NET INCREASE (DECREASE) IN CASH	11,464.83	21,626.52
CASH AT BEGINNING OF YEAR	190,878.65	176,343.72
CASH AT END OF YEAR	202,343.48	197,970.24

GREATER OUCHITA WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2003

NOTE A - HISTORY AND ORGANIZATION

The Greater Ouachita Water Company was incorporated May 23, 1963, under the laws of the State of Louisiana, as a nonprofit organization. The company was organized to consolidate various water companies operating in Ouachita Parish, a political subdivision of the State of Louisiana, into a single company in order to provide better service to the area residents.

By a contract dated June 13, 1963, between the Greater Ouachita Water Company and the Parish of Ouachita, the company agreed to acquire and construct a waterworks, sewerage, and natural gas system within the Parish. Under terms of the contract, the Parish recognizes the company's title to the system until all indebtedness of the company, together with accrued interest thereon, incurred by the company in the financing of the purchase, extension and improvement of the system is paid in full. When all such indebtedness of the company is paid in full, all rights, title and interest of the company and the system shall vest in the Parish.

An indenture of Mortgage, dated September 1, 1964, was made by and between the Greater Ouachita Water Company and the First National Bank of Commerce in New Orleans, New Bank One, a national banking association having its principal office in New Orleans, Louisiana, as trustee. Supplemental Indentures of Mortgage have been made covering additions to the system.

Revenue bonds were issued in five series. Proceeds of the first series (Series 1964) were received on September 23, 1964, and the first purchase of systems was made. Proceeds of the second series (Series 1965) were received on April 12, 1965, and additional properties were added to the system. Proceeds of the third series (Series 1968a) were received on March 18, 1968, and of the fourth series (Series 1968b) were received on December 11, 1967. Proceeds of the fifth series (Series 1983) were received on August 7, 2003.

The company began operations September 28, 1964. It has an agreement with M-S Utilities, Inc., West Monroe, Louisiana to operate the system. Johnny D. Nichols, West Monroe, Louisiana, is the president of M-S Utilities, Inc.

GREATER OMAHA WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2003

Officers and directors of the company and salaries paid to them as officers during the period under review were:

W. D. Carter, Chairman of the Board	16,892.16
Robert E. Sarty, President	12,994.00
Wood T Sparks, Secretary-Treasurer	<u>15,522.80</u>
	45,409.04

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

METHOD OF ACCOUNTING - The company uses the accrual method of accounting.

DEPRECIATION - Depreciation was computed using the straight-line method in amounts sufficient to amortize the cost of the depreciable assets over their estimated useful lives. The estimated useful lives used in computing depreciation are:

Cost of System	25 - 30 years
Various Equipment	5 - 10 years

By specific definition in the Indenture of Mortgage, depreciation is not to be included in the operating expenses of the company. Depreciation expense was therefore shown separately on the statement of income.

SPECIAL FUNDS - The Indenture of Mortgage requires the company twice each month to transfer from the general or operating bank accounts all monies in excess of a minimum amount that is shown by the annual budget to be necessary for operating expenses for the current fiscal year to the Trustee for credit to the Revenue Fund.

Monies received in the Revenue Fund are in turn transferred to other funds in the following order:

1. Interest Fund until at least six months' interest on all outstanding bonds is accumulated or restored. On August 31, 2003, the balance in the Interest Fund was \$123,641.25. Interest payable at August 31, 2003, was \$123,641.25.

GREATER OKMCHITA WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 1963

2. Reserve Fund until an amount equal to 100% of the maximum annual interest requirements on all outstanding bonds is accumulated or restored.
3. Renewals, Replacements & Extensions Fund until \$250,000.00 is accumulated or restored. During the period under review, additions and expenditures made to and from this fund for improvements to the system resulted in a balance of \$118,489.18.
4. Sinking Fund, an amount beginning September 15, 1960, which when and multiplied by the number of such monthly deposits to be made during the next twelve month period will equal the annual requirement for that year. To date, adequate deposits have been made and the requirements of the Indenture of Mortgage have been met as shown below:

DUE DATE	AMOUNT DUE
August 15, 1963 - 1962	4,160,000.00
August 15, 1963	200,000.00

	4,360,000.00

The annual amount due on August 15, 1964, will be \$250,000.00.

5. Mandatory Retirement Fund, all remaining monies. On August 31 of each year, beginning August 31, 1960, all monies in the Sinking Fund will be transferred to this fund. As August 31, 1963, this transfer had not been made, and there was no balance in this fund.

DEFERRED CHARGES AND AMORTIZATION - Discounts on bonds issued by the company are being amortized over the term of the bonds. Shown below is an analysis of unamortized bond discounts:

Original Bond Discount	60,400.00
Less Prior Year Amortization	60,400.00
Less Current Year Amortization	0.00

GREATER OUCHITA WATER COMPANY
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2003

Total Amortization	66,498.20

Balance at August 31, 2002	.00

Costs of issuing bonds are being amortized over the term of the bonds:

Total Cost at August 31, 1999	257,560.28
Add Series 2003 Issue Expense	65,684.58
Less Prior Year Amortization	141,551.94
Less Current Year Amortization	15,347.28

Total Amortization	156,895.24

Balance at August 31, 2003	168,345.54

In accordance with terms of the Indenture of Mortgage, amortization has not been shown as operating expenses of the company.

CONTRIBUTIONS IN AID OF CONSTRUCTION - Connecting and tapping fees charged to new customers to pay part of the cost of extensions to such customers are credited to this account. These costs are capitalized; therefore, this method of accounting for such fees more nearly matches operating revenues with operating expenses.

NOTE C - PLANT AND EQUIPMENT

Plant and Equipment is stated at the acquisition costs of the assets to the company, with the exception of the systems of Lakeview Utilities, Inc., North Louisiana Production Corporation, and B & W Utilities, Inc., which were contributed by their owners and are stated at their appraised value. Maintenance and repairs are charged to operations currently and major renewals and betterments are capitalized. Additions to the system during the year ended August 31, 2003, totaled \$1,779,011.72, and for the year ended August 31, 2002, totaled \$1,814,454.16. Shown below is an analysis of the cost of the system by expenditures from various funds:

GREATER COACHITA WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1993

	BALANCE 8/31/92	DURING YEAR	BALANCE 8/31/93
Bond Proceeds Series 1964	1,922,208.00		1,922,208.00
Bond Proceeds Series 1965	987,211.16		987,211.16
General Fund	10,588,160.01	1,678,621.61	12,266,781.62
Renovals, Replacements & Extensions Fund	3,092,039.41	140,392.05	3,232,431.46
Revenue Fund	35,015.84		35,015.84
1994A Fund	1,679,972.24		1,679,972.24
STAB Fund	1,911,211.28		1,911,211.28
Contributions			
Lakeview Utilities, Inc. Water & Power System	196,400.00		196,400.00
North LA Production Corp. Water System	71,400.00		71,400.00
M & M Utilities, Inc. Water System	44,450.00		44,450.00
	26,438,376.12	1,779,013.72	28,217,389.84
Less Retirements Gas System Transferred (231,286.20)		(231,286.20)
Total	26,207,109.92	1,779,013.72	27,986,123.64

NOTE D - LONG TERM DEBT

The company originally issued bonds known as "Meterworks and Natural Gas System Revenue Bonds" in two series. Series 1964 bonds totaled \$1,270,000.00 and were issued September 1, 1964. They were paid off as of September 1, 1999. Series 1965 bonds totaled \$1,850,000.00 and were issued March 1, 1965. They were paid off as of September 1, 1999.

On March 16, 1994, the company issued bonds known as "Greater Coachita Water Company Meterworks and Natural Gas System Bonds, Series 1994A" in the amount of \$2,000,000.00. Interest is paid semi-annually on March 1, and September 1. The interest rate is 6.25% through December 10, 1997, and thereafter shall bear interest at the rate determined by the trustee on March 1, 2000, by adding 400 basis points to the five year constant maturity treasury and multiplying such amount by the remainder of one minus the corporate tax rate applicable to Central Bank, now Bank One, Monroe, Louisiana on such date. Principal shall be payable

GREATER ORCHIDITA WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2003

annually on September 1 in each year commencing September 1, 1995.

On December 11, 1997, the company issued bonds known as "Waterworks and Natural Gas Revenue Bonds of the Greater Orchidita Water Company Series 1997" in the amount of \$3,500,000.00. Interest is paid semi-annually on March 1, and September 1. The interest rate shall begin at 5.675%.

On August 7, 2003, the company issued bonds known as "Waterworks and Natural Gas System Revenue Bonds Series 2003" in the amount of \$9,000,000.00. Interest is paid semi-annually on March 1, and September 1. The interest rate shall begin at 3.350%.

During the year ended August 31, 2003, \$199,800.00 in bonds were redeemed, and during the year ended August 31, 2002, \$100,800.00 in bonds were redeemed, bringing the total of all bonds redeemed to \$4,268,000.00. The balance of bonds outstanding at August 31, 2001, was \$31,560,800.00.

Interest payments for the next five years are as follows:

Year Ended August 31,	Amount
2004	603,702.50
2005	596,833.75
2006	581,880.00
2007	565,955.00
2008	542,485.00

NOTE E - LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

On or about March 16, 1990, the Louisiana Department of Environmental Quality ("LaDEQ") issued Compliance Order No. WC-00-014 to the Greater Orchidita Water Company ("GOWC") alleging certain violations of the Louisiana Water Control Law, the Louisiana Water Regulations and previously issued compliance Order No. WC-00-149.

GOWC timely filed a request for hearing, which was granted, to challenge these allegations.

On or about April 5, 1990, LaDEQ issued a proposed penalty notice (WP-90-011) in the amount of \$4,800.00 to GOWC, and in

SEATER OUCHITA WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2003

response thereto, Respondent filed a timely request for hearing, which was granted.

These two proceedings were consolidated and a settlement has been reached in theory, although the actual settlement documents have not been executed. Pursuant to such, GSWC will pay the \$6,800.00 penalty in total settlement of the claims alleged by the compliance order and/or which could be alleged and GSWC will upgrade and/or close certain of its sewer facilities in accordance with a specified time schedule to meet LaDEQ's requirements. It is believed that the settlement will give the company sufficient time to upgrade and/or close certain sewer facilities to meet LaDEQ's discharge requirements. This \$6,800.00 has been accrued as another expense to the sewer plant during the year ended August 31, 1998. This penalty has been paid.

The Louisiana Department of Environmental Quality (DEQ), issued compliance order WE-CN-00-0129, on the Lake Park sewage treatment plant on October 11, 2000 compliance order WE-CN-00-0154 on the Frenchman's Bend sewage treatment plant on October 31, 2000, and compliance order WE-C-00-0233 on the Magnolia road sewage treatment plant on November 2, 2000. The company has requested hearings on each order and believes that it has made good faith efforts to meet its obligation to DEQ with its available rate structure and will actively contest these proceedings.

The company has finalized plans to comply with the sewer discharge limitations in the permits issued by LaDEQ and EPA. Three regional sewage treatment facilities are contemplated and most of the present facilities will be closed and the sewage treated at the new plants. The first treatment plant located in the northeastern portion of Ouachita Parish adjacent to Highway 139 has been completed and is now in operation. Construction of the second plant located on Highway 165 South has also been completed and is now in operation.

Construction on the third sewage treatment plant should begin in mid-2004. The company has located a site for the facility and has taken an option on the property. The company applied for a permit from the Corps of Engineers, Vicksburg District, because the site is in a wetlands area. The estimated cost to construct the treatment plant, with lift stations and force mains is approximately \$4,600,000.00.

CREATON CONCRETE WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2003

**NOTE F - APPLICATION TO THE LOUISIANA PUBLIC SERVICE COMMISSION FOR
RATE INCREASE**

The company applied to the Louisiana Public Service Commission for a water and sewer rate increase to eliminate its prior year loss and fund additional improvements to its water and sewer system.

The Commission granted the rate increase in part and in phases on February 22, 2003. The first phase went into effect in March 2003. The second phase will go into effect when 50% of the capital projects to be constructed by the company are under contract. The Commission also approved the company's request to issue up to \$16,000,000.00 in new bonds to fund improvements to its water and sewer systems and construct additional sewer facilities to comply with DQ permit requirements.

The company issued its Series 2003 bonds on August 7, 2003 in the amount of \$9,000,000.00. The proceeds were used to payoff the company's existing line of credit at Bank One in the amount of \$1,147,901.00. The remaining proceeds were used to pay costs of issuance and will fund capital improvements to the company's water and sewer systems. The rate increase granted in March 2002 allowed the company to eliminate its loss and will provide sufficient revenues to amortize the new bond issue with adequate bond coverage ratios. The company plans to issue additional bonds in 2004 or 2005 not to exceed \$7,000,000.00 to fund additional capital improvements to its water and sewer systems. The second phase rate increase and the final phase should produce sufficient revenues to amortize these additional bonds with adequate bond coverage ratios.

NOTE G - PENSION PLAN

A money purchase pension plan was put into effect on September 1, 1995. All employees of the company are eligible. The company will contribute on the behalf of each participant 25% of the participant's compensation. The amount contributed during the year ended August 31, 2003 was \$11,550.00, and for August 31, 2002, was \$11,375.00.

SUPPLEMENTARY INFORMATION

WEISS AND WEISS
CERTIFIED PUBLIC ACCOUNTANTS

801 STONE DRIVE
SUITE 200
MONROE, LOUISIANA 70001

MEMPHIS, TENNESSEE

MEMPHIS, TENNESSEE
MEMPHIS, TENNESSEE

MEMPHIS, TENNESSEE
MEMPHIS, TENNESSEE
MEMPHIS, TENNESSEE

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Greater Ouachita Water Company
Monroe, Louisiana

Our report on our audit of the basic financial statements of Greater Ouachita Water Company for the years ended August 31, 2000, and 2001 appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained on the following pages is presented for the 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.

In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


WEISS AND WEISS

Monroe, Louisiana
November 16, 2001

**GREATER QUACHUIC WATER COMPANY
PLANT AND EQUIPMENT AND DEPRECIATION
AUGUST 31, 2003**

	COST AT 8/31/2002	ADDITIONS	COST AT 8/31/2003
	-----	-----	-----
WATER SYSTEM			
Original Cost 9/28/88	1,277,027.07		1,277,027.07
Original Cost 3/12/85	875,888.86	0.00	875,888.86
	-----	-----	-----
	1,952,915.93	0.00	1,952,915.93
Additions & Renovations			
Mains & Extensions	7,165,596.82	1,178,991.78	8,344,588.60
Service Lines	4,388,185.88	310,327.55	4,698,513.43
Water Meters	885,427.08	14,793.88	900,220.96
Wells & Equipment	4,849,134.20	60,389.42	4,909,523.62
Chlorinator Equipment	333,284.13	0.00	333,284.13
Other Equipment	227,387.67	14,258.00	241,645.67
	-----	-----	-----
Total Additions	17,408,008.78	1,528,658.47	18,936,667.25
	-----	-----	-----
Total Water System	19,557,792.91	1,528,658.47	21,086,451.38
	-----	-----	-----
SEWER SYSTEM			
Original Cost 9/28/84	126,000.00	0.00	126,000.00
Original Cost 3/12/85	33,518.56	0.00	33,518.56
	-----	-----	-----
	159,518.56	0.00	159,518.56
Additions & Improvements	5,829,652.45	183,358.28	6,013,010.73
	-----	-----	-----
Total Sewer System	5,986,171.01	183,358.28	6,169,529.29
	-----	-----	-----
LAND	688,188.00	67,000.00	755,188.00
	-----	-----	-----
TOTAL PLANT & EQUIPMENT	26,232,158.92	1,718,616.75	27,950,775.67
	-----	-----	-----

GREATER DECATUR WATER COMPANY
 PLANT AND EQUIPMENT AND DEPRECIATION
 MARCH 31, 2003

FROM DEPRECIATION	CURRENT DEPRECIATION	ACCUMULATED DEPRECIATION 6/30/2002	UNDEPRECIATED BALANCE 6/30/2002
965,944.00	25,541.00	991,505.00	285,521.98
506,369.56	13,514.00	520,383.56	355,403.32
1,472,313.65	39,055.00	1,511,788.65	640,925.30
3,255,593.25	378,938.00	3,574,531.25	5,716,622.23
1,553,377.85	147,325.00	1,700,382.85	2,966,198.56
387,884.45	27,883.00	435,285.45	475,325.43
1,373,089.56	162,731.00	1,435,869.56	3,546,649.66
62,216.28	4,885.00	67,293.28	64,932.85
53,963.75	3,885.00	57,848.75	63,358.88
5,635,717.42	624,881.00	6,260,598.42	12,671,389.63
7,108,453.07	663,856.00	7,772,309.07	12,312,314.33
98,678.00	2,520.00	100,598.00	25,410.88
25,131.00	670.00	25,801.00	7,713.48
123,381.06	3,190.00	126,391.06	33,123.48
1,368,889.11	227,904.00	1,626,904.11	4,337,163.58
1,522,301.13	251,694.00	1,753,295.13	4,410,327.07
0.00	0.00	0.00	738,188.00
8,438,652.36	894,958.00	9,225,682.36	18,400,921.38

GREATER MEMPHIS WATER COMPANY
SCHEDULE OF INSURANCE
AUGUST 31, 2003

RISK	MAXIMUM COVERAGE	FROM	TO	TOTAL PREMIUM	AMOUNT PAID/ACC
Items listed in policy in- clude wells, water tanks, reservoirs, sewer lift pump & treatment plants pressure pumps, tank, high pressure pumps - Completed Oper.	5,000,000	1/23/2003	7/31/2004	57,809.00	55,489.39
Products - Completed Oper.	3,000,000				
Personal & Adv. Injury	1,000,000				
Fire Damage	1,000,000				
Medical	25,000				
Hired, Non-Owned Autos	1,000,000				
Employees	500,000				
Robert E. Batts	25,000	12/3/2002	12/3/2003	250.00	40.67
W. D. Carter	25,000				
Wood T. Sparks	25,000				
Same as Above	500,000	1/1/2002	1/1/2003		
				-----	-----
				58,059.00	55,489.39
				-----	-----

COVERAGE PROVIDED BY M-W UTILITIES, INC., WEST MONROE, LOUISIANA
(CONTRACT OPERATOR OF THE SYSTEM)

Products - Completed Oper.	1,000,000	6/1/2002	6/1/2003
Personal & Adv. Injury	1,000,000		
Fire Damage	500,000		
Medical	5,000		
Automobiles	50 1,000,000	6/1/2002	6/1/2003
Employees	100,000	4/1/2003	6/1/2004

**GREATER MICHIGAN WATER COMPANY
SCHEDULE OF INSURANCE
AS OF 31, 1993**

COMPANY	POLICY NO.	AGENT	TYPE
American Alternative Ins. Company	3818500880	Troy & Montgomery	Fire and extended coverage, vandalism, malicious mischief General Liability " " " Auto Liability Directors & Officers Liability
Western Surety Company	1128824	Troy & Montgomery	Fidelity Bond
L.A. Workers Compensation Corp.	6842	Troy & Montgomery	Workmen's Comp.

**COVERAGE PROVIDED BY M-S UTILITIES, INC., WEST MONROE, LOUISIANA
(CONTRACT OPERATOR OF THE SYSTEM)**

The American Central Insurance Co.	MSX 52406	Troy & Montgomery	General Liability
The American Central Insurance Co.	MSX 54234	Troy & Montgomery	Auto Liability, collisions, comprehensive coverage, medical payments uninsured motorist
Bridgfield Casualty Ins. Company	156-8250	Troy & Montgomery	Workmen's Comp.

GREATER CHICAGO WATER COMPANY
ANALYSIS OF REVENUE FUND BALANCE
August 31, 2003

CASH IN FIRST NATIONAL BANK OF COMMERCE	0.00
INVESTMENTS	
Marquis Treasury Bond Money Market	0.00

Total of Fund	0.00

REVENUE FUND
COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
FOR THE YEARS ENDED AUGUST 31, 2003 AND 2002

	YEAR ENDED AUGUST 31 2003	2002
	-----	-----
FUND BALANCE - BEGINNING	30,000.00	15,000.00
DEPOSITS IN FUND		
Transfers from Operating Fund	525,000.00	545,000.00
Transfers from Interest Fund	0.00	0.00
Transfers from Reserve Fund	11,413.25	13,553.25
Transfers from Redemption Fund	0.00	0.00
Earnings from Investments	109.46	200.13
	-----	-----
Total Deposits	536,522.71	558,041.38
	-----	-----
	566,522.71	573,041.38
DISBURSEMENTS FROM FUND		
Transfers to Interest Fund	259,022.01	268,473.46
Transfers to Renewal, Replacements & Extensions Fund	107,146.13	86,411.75
Transfers to Reserve Fund	203.75	0.00
Transfers to Sinking Fund	199,656.04	188,255.97
	-----	-----
Total Disbursements	566,027.93	543,041.18
	-----	-----
FUND BALANCE - ENDING	0.00	30,000.00
	-----	-----

GREENER QUACHITA WATER COMPANY
ANALYSIS OF INTEREST FUND BALANCE
August 31, 2003

CASH IN FIRST NATIONAL BANK OF COMMERCE	0.00
INVESTMENTS	
Municipal Treasury Debt Money Market	129,641.25

Total of Fund	129,641.25

INTEREST FUND
COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
FOR THE YEARS ENDED AUGUST 31, 2003 AND 2002

	YEAR ENDED AUGUST 31 2003	2002
	-----	-----
FUND BALANCE - BEGINNING	134,818.75	139,638.75
DEPOSITS IN FUND		
Transfers from Revenue Fund	259,822.01	269,673.66
Transfers from Reserve Fund	0.00	0.00
Earnings from Investments	269.59	983.84
	-----	-----
Total Deposits	259,282.51	269,637.50
	-----	-----
	394,101.26	409,276.25
DISBURSEMENTS FROM FUND		
Interest on Bond Coupons Maturing	268,440.00	274,497.50
Transfers to Revenue Fund	0.01	0.00
	-----	-----
Total Disbursements	268,440.01	274,497.50
	-----	-----
FUND BALANCE - ENDING	129,641.25	134,818.75
	-----	-----

GREATER CHICAGO WATER COMPANY
ANALYSIS OF RESERVE FUND BALANCE
August 31, 2003

CASH IN FIRST NATIONAL BANK OF COMMERCE	0.00
INVESTMENTS	
Marquie Treasury Sec Money Market	260,000.00

Total of Fund	260,000.00

RESERVE FUND
COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
FOR THE YEARS ENDED AUGUST 31, 2003 AND 2002

	YEAR ENDED AUGUST 31 2003	2002
	-----	-----
FUND BALANCE - BEGINNING	288,637.50	238,357.50
DEPOSITS IN FUND		
Transfers from Reserve Fund	383.75	0.00
Earnings from Investments	1,872.00	3,833.25
	-----	-----
Total Deposits	2,255.75	3,833.25
	-----	-----
	291,413.25	282,190.75
DISBURSEMENTS FROM FUND		
Transfers to Reserve Fund	11,413.25	13,553.25
	-----	-----
Total Disbursements	11,413.25	13,553.25
	-----	-----
FUND BALANCE - ENDING	-----	-----
	260,000.00	269,637.50
	-----	-----

GREATER OKLAHOMA WATER COMPANY
ANALYSIS OF RENEWALS, REPLACEMENTS AND EXTENSIONS FUND BALANCE
August 31, 2003

CASH IN FIRST NATIONAL BANK OF COMMERCE	9.89
INVESTMENTS	
Municipal Treasury Bond Money Market	118,489.18

Total of Fund	118,489.18

RENEWALS, REPLACEMENTS AND EXTENSIONS FUND
COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
FOR THE YEARS ENDED AUGUST 31, 2003 AND 2002

	YEAR ENDED AUGUST 31 2003	2002
	-----	-----
FUND BALANCE - BEGINNING	111,200.16	85,289.32
DEPOSITS IN FUND		
Transfers from Revenue Fund	107,146.13	86,811.75
Transfers from STRAB Fund	0.00	0.00
Earnings from Investments	454.98	1,311.68
	-----	-----
Total Deposits	107,601.11	88,123.43
	-----	-----
	218,801.27	173,412.75
DISBURSEMENTS FROM FUND		
Plant and Equipment Purchased	188,392.89	61,811.59
	-----	-----
Total Disbursements	188,392.89	61,811.59
	-----	-----
FUND BALANCE - ENDING	118,489.18	111,200.16
	-----	-----

GREATER CHICAGO WATER COMPANY
ANALYSIS OF SINKING FUND BALANCE
August 31, 2003

CASH IN FIRST NATIONAL BANK OF COMMERCE	0.00
INVESTMENTS	
Municipal Treasury Bond Money Market	200,000.00

Total of Fund	200,000.00

SINKING FUND
COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
FOR THE YEARS ENDED AUGUST 31, 2003 AND 2002

	YEAR ENDED AUGUST 31 2003	2002
	-----	-----
FUND BALANCE - BEGINNING	100,000.00	100,000.00
DEPOSITS IN FUND		
Transfers from Revenue Fund	190,050.00	188,755.57
Earnings from Investments	349.00	1,244.00
	-----	-----
Total Deposits	300,000.00	190,000.00
	-----	-----
	300,000.00	170,000.00
DISBURSEMENTS FROM FUND		
Bond Redemption Payment	190,000.00	100,000.00
Transfers to Interest Fund	0.00	0.00
	-----	-----
Total Disbursements	190,000.00	100,000.00
	-----	-----
FUND BALANCE - ENDING	100,000.00	100,000.00
	-----	-----

GREATER CONCRETE WATER COMPANY
 ANALYSIS OF SERIES 2000 BALANCE
 August 31, 2000

CASH IN FIRST NATIONAL BANK OF COMMERCE	\$ 00
INVESTMENTS	
Municipal Treasury Note Money Market	\$,000,000.00
	<hr/>
Total of Fund	\$,000,000.00
	<hr/>

SERIES 2000 FUND
 COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
 FOR THE YEARS ENDED AUGUST 31, 2000 AND 1999

	YEAR ENDED AUGUST 31 2000	2000 1999
	-----	-----
FUND BALANCE - BEGINNING	\$ 00	\$ 00
DEPOSITS TO FUND		
Draws Series 2000 Bonds	\$,000,000.00	\$ 00
Carrollings from investments	\$ 00	\$ 00
	<hr/>	<hr/>
Total Deposits	\$,000,000.00	\$ 00
	<hr/>	<hr/>
	\$,000,000.00	\$ 00
DISBURSEMENTS FROM FUND		
Pay Off Bank One Loan	\$,107,481.00	\$ 00
New Bond Issue Expenses	\$7,424.00	\$ 00
	<hr/>	<hr/>
Total Disbursements	\$,114,905.00	\$ 00
	<hr/>	<hr/>
FUND BALANCE - ENDING	\$,885,095.00	\$ 00
	-----	-----

GREATER CINCINNATI WATER COMPANY
ANALYSIS OF REDEMPTION PAYMENT ACCOUNT
August 31, 2003

CASH IN FIRST NATIONAL BANK OF COMMERCE	0.01
INVESTMENTS	
Municipal Treasury Sec Money Market	0.00

Total of Fund	0.01

REDEMPTION PAYMENT ACCOUNT
COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
FOR THE YEARS ENDED AUGUST 31, 2003 AND 2002

	YEAR ENDED AUGUST 31 2003	2002
	-----	-----
FUND BALANCE - BEGINNING	0.01	0.01
DEPOSITS IN FUND		
Total Deposits	0.00	0.00
	-----	-----
	0.01	0.01
DISBURSEMENTS FROM FUND		
Transfers to Revenue Fund	0.01	

Total disbursements	0.01	0.00
	-----	-----
FUND BALANCE - ENDING	0.00	0.01
	-----	-----

GREATER OKLAHOMA WATER COMPANY
 SCHEDULE OF ACCOUNTS PAYABLE
 August 31, 2003

BILLY J. TAYLOR, CONTRACTOR	152.00
CENTURY READY MIX, INC.	259.12
CITY OF MEMPHIS	75,235.86
CITY OF WEST MEMPHIS	1,000.00
CONTROL MESH, INC.	1,003.98
DPC INDUSTRIES, INC.	9,847.83
ELECTRICAL MECHANICAL SERVICES, INC.	1,028.78
ENTERGY	89,818.62
GRAINCO	446.71
HACH COMPANY	338.16
INTEGRAX, INC.	336.32
JARR, INC.	5,943.35
KEAN, MILLER, BENTON, D'ARNOUD	11,338.70
L & R UTILITIES, INC.	182.50
LOUISIANA ONE CALL CONCRETE, INC.	582.03
M-S UTILITIES, INC.	162,488.78
MCLEOD, VERLANGE	109.15
MEMPHIS COMMUNICATIONS, INC.	39.58
NATIONAL WATERWORKS, INC.	1,599.83
NOBREC	2,373.61
OKLAHOMA RIVER WATER DISTRICT	1,553.51
R. E. BENT, INC.	288.82
REBEL ELECTRICAL & DATACOM PRODUCTS	8.98
TEC ENTERPRISES, INC.	4,082.69
THEBROOK, HANCO, & BELLEMIN, INC.	3,025.20
WEST PIPE & FARM SUPPLY, INC.	716.19

	296,782.16

GREATER BUCKEYE WATER COMPANY
DETAILS OF ADMINISTRATIVE EXPENSES

	TOTAL EXPENSE	
	YEAR ENDED AUGUST 31 1961	1962
ACCOUNTING	22,210.00	21,188.00
ADVERTISING	0.00	28.88
BANK CHARGES	813.00	758.17
DEPRE	877.00	1,882.50
INSPECTION & SUPERVISION FEE	6,035.83	5,118.10
INSURANCE	48,724.38	68,232.42
LEGAL & ADMINISTRATIVE	126,887.51	102,888.28
MISCELLANEOUS	18,588.00	5,178.88
OFFICE SUPPLIES & EXPENSE	40,122.73	48,886.87
PAYROLL TAXES	4,062.42	6,326.27
POSTAGE	12,348.52	7,874.52
RENT	1,888.88	1,888.00
SALARIES - OFFICERS	85,475.84	44,405.32
SALARIES - OFFICE	4,947.88	8,428.88
TAXES & LICENSES	17,892.88	12,188.28
TELEPHONE	3,245.12	2,755.54
TRAVEL	488.82	2,218.76
TRUSTEE FEES	3,288.88	3,288.88
	355,882.12	328,788.88

PROVIDED IN THE FOLLOWING MANNER:

	YEAR ENDED AUGUST 31, 1962	
WATER REVENUE	3,882,287.96	80,5878
SEWER REVENUE	287,588.12	18,8828
	4,178,876.08	100,0008

**GREATER WASHINGTON WATER COMPANY
DETAILS OF ADMINISTRATIVE EXPENSES**

WATER SYSTEM		SEWER SYSTEM	
YEAR ENDED AUGUST 31		YEAR ENDED AUGUST 31	
2001	2002	2001	2002
17,400.07	17,002.81	4,105.33	3,807.17
0.00	22.04	0.00	0.16
649.15	612.30	150.00	125.07
145.00	1,364.56	151.30	287.04
4,000.00	4,200.71	1,178.07	917.00
16,654.22	16,002.42	6,676.70	12,227.73
61,327.53	68,377.44	68,158.08	59,713.65
24,074.09	8,700.04	3,000.00	1,834.94
12,346.71	12,027.33	3,700.00	7,148.04
3,270.27	3,300.00	700.10	740.10
10,111.00	8,000.00	2,434.17	1,203.79
070.40	000.00	100.00	100.00
16,654.90	16,700.00	8,024.10	6,013.65
3,640.47	3,600.00	803.41	790.62
4,214.10	000.00	12,070.00	13,310.33
1,615.48	1,261.74	600.00	480.00
100.00	1,000.00	00.00	070.47
1,600.00	1,200.00	1,000.00	000.00
-----	-----	-----	-----
212,085.51	240,187.00	121,307.61	90,000.00
-----	-----	-----	-----

PRESENTED IN THE FOLLOWING MANNER:

YEAR ENDED AUGUST 31, 2002	
3,078,114.00	81,070
000,012.30	17,010
-----	-----
4,482,187.31	100,000
-----	-----

CREATHE QUACUDA WATER COMPANY
DETAILS OF OTHER INCOME AND OTHER EXPENSES

	TOTAL OTHER	
	YEAR ENDED DECEMBER 31 2003	2002
OTHER INCOME		
Bad Debt Recovery	8,408.84	3,727.13
Cash Over	8.00	0.00
Discounts Earned	4,170.62	1,800.00
Interest Earned	2,248.09	2,600.00
Miscellaneous	10,888.26	8,600.48
NSF Check Charges	11,000.00	7,334.00
Oil & Gas Repairs	105.88	490.64
	-----	-----
Total Other Income	37,941.79	29,662.25
	-----	-----
OTHER EXPENSE		
Interest Expense - Bonds S. 1992	76,288.88	83,204.87
Interest Expense - Bonds ST 220	182,862.52	188,430.53
Interest Expense - Customer Deposits	25,892.98	23,287.28
Rate Increase Expenses	0.00	26,048.00
Pension Expense	13,750.00	11,315.00
NSF Check Charges	13,380.00	7,336.00
Provision For Bad Accounts	25,262.58	28,945.82
Cash Short	56.62	32.88
	-----	-----
Total Other Expense	372,904.68	359,820.38
	-----	-----

GREATER BOSTON WATER COMPANY
DETAILS OF OTHER INCOME AND OTHER EXPENSES

WATER SYSTEM		SEWER SYSTEM	
YEAR ENDED AUGUST 31		YEAR ENDED AUGUST 31	
2001	2002	2001	2002
4,828.84	3,727.57	0.00	0.00
0.00	0.00	0.00	0.00
4,173.62	3,908.85	0.00	0.00
2,046.09	2,648.93	0.00	0.00
18,688.26	8,505.89	0.00	0.00
13,088.00	2,338.00	0.00	0.00
328.88	481.84	0.00	0.00
32,941.79	29,682.08	0.00	0.00
0.00	0.00	18,299.98	83,204.87
34,888.78	34,529.78	128,087.78	113,862.77
25,882.88	23,287.38	0.00	0.00
16,666.88	16,666.88	0.00	0.00
9,470.39	9,394.49	2,379.81	2,618.51
11,380.88	7,284.88	0.00	0.00
20,481.57	20,279.88	8,923.31	8,488.02
34.62	32.59	0.00	0.00
138,802.12	131,267.92	211,888.08	219,882.37

GREATER OMAHA CITY WATER COMPANY
 INTEREST EARNED ON INVESTMENTS
 AUGUST 31, 2003

	YEAR ENDED 2003	AUGUST 31 2002
	-----	-----
GENERAL FUND	8.00	0.00
REVENUE FUND	289.66	269.13
RESERVE FUND	1,072.00	1,013.25
REPAIRS, REPLACEMENTS & EXTENSIONS FUND	454.00	1,011.68
SINKING FUND	309.18	1,344.83
INTEREST FUND	240.10	963.84
SERIES 2003 FUND	0.00	0.00
	-----	-----
TOTAL	2,368.14	7,642.83
	-----	-----

**OPERATOR SERVICES WATER COMPANY
COMPARATIVE STATISTICS**

	MONTH 31 1987	MONTH 31 1988	MONTH 31 1991	MONTH 31 2000	MONTH 31 1999
Total number of water customers at end of year	16,805	15,714	15,343	15,851	14,674
Average monthly consumption per water customer	7.3 M gal.	7.3 M gal.	8.0 M gal.	8.0 M gal.	8.0 M gal.
Average monthly bill per water customer	\$17.42	\$17.33	\$18.58	\$18.74	\$18.78
Total number of sewer customers at end of year	3,169	3,190	3,973	3,951	3,983
Average monthly bill per sewer customer	\$23.58	\$21.25	\$18.82	\$18.51	\$18.21

WEED AND WEED
CERTIFIED PUBLIC ACCOUNTANTS

300 SOUTH STATE
SALT LAKE CITY

MEMBER ACCOUNTING FIRM

MEMBERSHIP

RECEIVED
LIFE OF THE OFFICER

04 JUN 30 AM 11:11

OFFICE OF THE COMPTROLLER
STATE OF UTAH
SALT LAKE CITY, UTAH 84114

GENERAL LEDGER NUMBER: 074
DATE OF WORK: 06/10/03

We have audited the financial statements of Greater Ogachita Water Company as of August 31, 2002, and 2003, and have issued our report thereon, dated November 10, 2003.

We conducted our audit in accordance with general accepted auditing standards 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 financial statements are free of material misstatements.

Compliance with laws, regulations, contracts, and grants applicable to Greater Ogachita Water Company is the responsibility of Greater Ogachita Water Company's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Greater Ogachita Water Company's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance are failures to follow requirements, or violation of prohibitions, contained in laws, regulations, contracts, or grants that cause us to conclude that the aggregation of the misstatements resulting from these failures or violations is material to the financial statements. The results of our tests of compliance disclosed the following instance of noncompliance that is not material to the financial statements.

The results of our test of compliance indicated that, with respect to the items tested, Greater Ogachita Water Company complied, in all material respects, with the provisions referred to in the third paragraph of the report; and, with respect to items not tested, nothing came to our attention that caused us to believe that Greater Ogachita Water Company had not complied, in all material respects, with those provisions.

This report is intended for the information of the audit committee, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Harry Webb

January 15, 2004

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ISSUED WITH FORM 970
MAY 11, 2000 (REV. 07)

We have audited the financial statements of Greater Southite Water Company as of August 31, 2001, and 2002, and have issued our report thereon, dated December 5, 2002.

We conducted our audit in accordance with general accepted auditing standards 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 financial statements are free of material misstatements.

In planning and performing our audit of the financial statements of Greater Southite Water Company for the years ended August 31, 2001, and 2002, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The management of Greater Southite Water Company is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but no absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitation in any internal control structure, errors or irregularities may nevertheless occur and so be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report we have classified the significant internal control structure policies and procedures in the following categories:

1. Financial statement captions:
 - a. Plant & Equipment
 - b. Special Funds
 - c. Cash
 - d. Receivables
 - e. Other Assets
 - f. Debt
 - g. Payables & Accrued Liabilities
 - h. Surplus
2. Accounting applications:
 - a. Billings
 - b. Receivables
 - c. Cash Receipts

- d. Accounts Payable
 - e. Cash Disbursements
 - f. General Ledger
3. Types of the entity's activities
4. Controls used in administering compliance with laws and regulations:
- a. General Controls
 - b. Specific Controls

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design and operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the audit committee, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.


Barry Webb

November 18, 2003