

GREATER DORCHESTER WATER COMPANY
 SCHEDULE OF INSURANCE
 AUGUST 31, 1996

COMPANY	POLICY NO.	AGENT	TYPE
American Central Ins. Co.	NER 561817	Troy & Montgomery	Fire and extended coverage, vandalism, malicious mischief General Liability " " " Auto Liability
	NEDE 59965		Commercial Umbrella & Liability
Western Surety Company	1218004	Troy & Montgomery	Fidelity Bond
LA Workers Compensation Car		4842 Troy & Montgomery	Workmen's Comp.
Cargis Insurance Co.	NER 441748	Troy & Montgomery	Directors & Officers Liability

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

The American Central Insurance Co.	NER 528308	Troy & Montgomery	General Liability
The American Central Insurance Co.	NEDE 14214	Troy & Montgomery	Auto liability, collision, comprehensive coverage, medical payments uninsured motorist
Louisiana Employers Safety Assoc. Self Insurance Fund	773-1999	Summit Consulting Inc.	Workmen's Comp.

GREATER ORCHILTA WATER COMPANY
 SCHEDULE OF INSURANCE
 ASSETS 31, 1996

TYPE	MAXIMUM COVERAGE	FROM	TO	TOTAL PREMIUM	AMOUNT RECOVERED
Times listed in policy in- clude wells, water tanks, reservoirs, sewer line pump & treatment plants pressure pumps, tank, bldg. Products - Completed Oper. Personal & Adv. Injury Fire Damage Medical	1,000,000 3,000,000 1,000,000 100,000 5,000	5/01/96	05/01/97	14,358.00	0.00
Hired, Non-Owned Autos	BI and PD 1,000,000				
Employees	500,000				
Robert K. Hewitt M. D. Carter Wood T. Sparks	25,000 25,000 25,000	12/01/96	12/31/97	250.00	81.67
Same as above	500,000	1/1/96	1/1/97		
Personal & Adv. Injury Products - Completed Oper.	1,000,000 3,000,000	7/04/96	7/14/97	6,000.00	6,332.37
				----- 23,404.00	6,332.84 -----

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

Products - Completed Oper. Personal & Adv. Injury Fire Damage Medical	1,000,000 1,000,000 50,000 3,000	6/1/96	6/31/97		
Automobiles	BI 1,000,000	6/3/96	6/1/97		

Employees 100,000 Effective Date 3/1/96
 Continuous until Cancelled

GREATER GEORGETIA WATER COMPANY
PLANT AND EQUIPMENT AND DEPRECIATION
AUGUST 31, 1996

FACILTY DEPRECIATION	CURRENT DEPRECIATION	ACCUMULATED DEPRECIATION 8/31/96	UNDEPRECIATED BALANCE 8/31/96
-----	-----	-----	-----
781,377.00	28,541.00	809,918.00	468,388.00
812,371.00	13,518.00	825,889.00	350,381.10
-----	-----	-----	-----
1,593,748.00	42,059.00	1,635,807.00	818,769.10
-----	-----	-----	-----
1,092,833.00	33,523.00	1,126,356.00	2,848,667.77
709,824.00	52,260.00	762,084.00	2,338,843.65
330,513.45	31,608.00	362,121.45	882,685.77
676,381.50	63,324.00	739,705.50	1,779,804.20
13,643.28	4,882.00	18,525.28	53,479.00
28,116.79	1,888.00	30,004.79	66,889.50
-----	-----	-----	-----
2,830,119.42	298,544.00	3,128,663.42	7,588,531.67
-----	-----	-----	-----
4,328,448.87	337,999.00	4,666,447.87	8,000,843.00
-----	-----	-----	-----
88,430.00	3,528.00	91,958.00	43,088.00
38,441.00	678.00	39,119.00	13,403.48
-----	-----	-----	-----
126,871.00	4,206.00	131,077.00	56,491.48
-----	-----	-----	-----
208,877.11	84,840.00	293,717.11	2,833,718.31
-----	-----	-----	-----
110,848.10	87,730.00	198,578.10	2,378,388.79
-----	-----	-----	-----
0.00	0.00	0.00	378,838.00
-----	-----	-----	-----
4,340,318.78	425,328.00	4,765,646.78	10,860,828.74
-----	-----	-----	-----

SINGAPORE CEMENTS WATER COMPANY
 PLANT AND EQUIPMENT AND DEPRECIATION
 SCHEDULE 31, 1996

	COST AT 8/31/95	ADDITIONS	COST AT 8/31/96
	-----	-----	-----
WATER SYSTEM			
Original Cost 8/30/64	1,377,827.83	0.00	1,377,827.83
Original Cost 3/31/66	678,686.88	0.00	678,686.88
	-----	-----	-----
	1,956,514.71	0.00	1,956,514.71
Additions & Improvements			
Mains & Submains	3,432,306.67	323,836.39	3,756,143.06
Service Lines	3,858,826.37	139,758.34	3,998,584.71
Water Meters	728,963.71	13,943.51	742,907.22
Wells & Equipment	2,449,758.00	68,783.79	2,518,541.79
Chlorinator Equipment	131,204.13	8.80	131,212.93
Other Equipment	77,644.38	1,148.80	78,793.18
	-----	-----	-----
Total Additions	9,678,593.26	546,668.83	10,225,262.09
	-----	-----	-----
Total Water System	11,628,387.19	546,668.83	12,175,056.02
	-----	-----	-----
SEWER SYSTEM			
Original Cost 8/30/64	128,888.88	0.00	128,888.88
Original Cost 3/31/66	38,818.88	0.00	38,818.88
	-----	-----	-----
	167,707.76	0.00	167,707.76
Additions & Improvements			
	3,138,388.88	379,974.42	3,518,363.30
	-----	-----	-----
Total Sewer System	3,306,096.64	379,974.42	3,686,071.06
	-----	-----	-----
LAND	578,818.88	0.00	578,818.88
	-----	-----	-----
TOTAL PLANT & EQUIPMENT	14,529,697.75	926,643.25	15,456,341.01
	-----	-----	-----

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CPA LICENSE NO. 100,000,000
STATE OF MISSISSIPPI

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, 1996, and 1995, 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 presented in all material respects in relation to the basic financial statements taken as a whole.

Wells and Wells
WELLS AND WELLS

Monroe, Louisiana
November 30, 1996

GREATER QUINCY WATER COMPANY
ANALYSIS OF SERIES 1994A BALANCE
AUGUST 31, 1995

CASH IN FIRST NATIONAL BANK OF COMMERCE	288.00
INVESTMENTS	
United States Treasury Bills	178,483.87

Total of Fund	178,771.87

SERIES 1994A FUND
COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
FOR THE YEARS ENDED AUGUST 31, 1994 AND 1995

	YEAR ENDED AUGUST 31 1994	1995
	-----	-----
FUND BALANCE - BEGINNING	877,314.75	1,814,137.73
DEBITS IN FUND		
Transfers from Revenue Fund	0.00	35.00
Balances from Investments	18,483.37	47,388.28
	-----	-----
Total Debits	18,483.37	82,723.28
	-----	-----
	493,518.82	1,861,498.08
	-----	-----
DISBURSEMENTS FROM FUND		
Transfers to Operating Fund	0.00	170,000.00
Transfers to Revenue Fund	18,000.00	54,170.88
Transfers to Interest Fund	2,849.00	9,778.88
Plant & Equipment - Sewer Plant	297,178.41	1,190,388.00
	-----	-----
Total Disbursements	318,027.41	1,384,348.76
	-----	-----
FUND BALANCE - ENDING	178,788.12	877,314.75
	-----	-----

URBANA MAQUITA WATER COMPANY
ANALYSIS OF KIRKING FUND BALANCE
AUGUST 31, 1958

CASH IN FIRST NATIONAL BANK OF COMMERCE	113,163.96
INVESTMENTS	
United States Treasury Bills	9,167.70

Total of Fund	321,745.66

KIRKING FUND
COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
FOR THE YEARS ENDED AUGUST 31, 1956 AND 1955

	YEAR ENDED AUGUST 31 1956	1955
	-----	-----
FUND BALANCE - BEGINNING	320,170.26	224,167.82
DEPOSITS IN FUND		
Transfers from Reserve Fund	269,442.13	266,484.80
Transfers from Interest Fund	20,180.82	0.00
Earnings from Investments	16,952.37	9,877.44
	-----	-----
Total Deposits	306,575.32	276,362.24
	-----	-----
	626,745.58	600,170.26
	-----	-----
DISBURSEMENTS FROM FUND		
Bond Redemption Payment	308,080.80	388,080.80
	-----	-----
Total Disbursements	308,080.80	388,080.80
	-----	-----
FUND BALANCE - ENDING	321,745.66	320,170.26
	-----	-----

GREATER CONCRETE MATS COMPANY
ANALYSIS OF REVENUE, REPLACEMENTS AND EXTENSIONS FUND BALANCE
AUGUST 31, 1996

CASH IN FIRST NATIONAL BANK OF COMMERCE	708.88
INVESTMENTS	
United States Treasury Bills	30,863.30

Total of Fund	31,572.18

REVENUE, REPLACEMENTS AND EXTENSIONS FUND
COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
FOR THE YEARS ENDED AUGUST 31, 1996 AND 1995

	YEAR ENDED AUGUST 31 1996	1995
	-----	-----
FUND BALANCE - BEGINNING	85,247.66	84,328.90
DEPOSITS IN FUND		
Earnings from Investments	1,622.58	4,448.03
	-----	-----
Total Deposits	1,622.58	4,448.03
	-----	-----
	86,870.16	88,776.93
DISBURSEMENTS FROM FUND		
Transfers to Revenue Fund	3,340.89	3,427.27
Plant and Equipment purchased	63,183.89	0.00
	-----	-----
Total Disbursements	66,524.78	3,427.27
	-----	-----
FUND BALANCE - ENDING	21,758.18	85,247.66
	-----	-----

GREATER QUACHITA WATER COMPANY
ANALYSIS OF RESERVE FUND BALANCE
AUGUST 31, 1996

CASH IN FIRST NATIONAL BANK OF COMMERCE	184.83
INVESTMENTS	
United States Treasury Bills	332,135.14

Total of Fund	332,319.14

RESERVE FUND
COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
FOR THE YEARS ENDED AUGUST 31, 1996 AND 1995

	YEAR ENDED AUGUST 31 1996	AUGUST 31 1995
	-----	-----
FUND BALANCE - BEGINNING	129,528.38	61,419.32
DEPOSITS IN FUND		
Transfers from Revenue Fund	8.00	62,661.68
Savings from Investments	6,766.31	8,721.46
	-----	-----
Total Deposits	6,774.31	69,373.04
	-----	-----
	136,302.61	129,694.36
DISBURSEMENTS FROM FUND		
Transfers to Revenue Fund	3,982.47	168.00
	-----	-----
Total Disbursements	3,982.47	168.00
	-----	-----
FUND BALANCE - ENDING	132,319.14	129,528.36
	-----	-----

GREATER CHICAGO WATER COMPANY
ANALYSIS OF INTEREST FUND BALANCE
AUGUST 31, 1956

CASH IN FIRST NATIONAL BANK OF CHICAGO	91,483.52
INVESTMENTS	
United States Treasury Bills	0.00

Total of Fund	91,483.52

INTEREST FUND
COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
FOR THE YEARS ENDED AUGUST 31, 1956 AND 1955

	YEAR ENDED AUGUST 31 1956	1955
	-----	-----
FUND BALANCE - BEGINNING	128,490.17	126,137.84
DEPOSITS IN FUND		
Transfers from Revenue Fund	187,473.59	163,930.93
Transfers from Series 1944A	3,849.84	8,738.48
Earnings from Investments	3,325.26	5,583.43
	-----	-----
Total deposits	194,648.69	178,252.84
	-----	-----
	201,547.98	104,828.64
DISBURSEMENTS FROM FUND		
Interest on Bond Coupons Maturing	168,156.25	176,128.89
Transfers to Sinking Fund	33,188.93	
Transfers to Revenue Fund	3,325.29	0.00
	-----	-----
Total Disbursements	194,670.47	176,128.89
	-----	-----
FUND BALANCE - ENDING	91,481.52	128,699.17
	*****	*****

GREATER CINCINNATI WATER COMPANY
ANALYSIS OF RESERVE FUND BALANCE
AUGUST 31, 1996

CASH IN FIRST NATIONAL BANK OF COMMERCE	1,666.93
INVESTMENTS	
Liquid Asset Treasury	0.00
-----	-----
Total of Fund	1,666.93

KEYNOTE FUND
COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
FOR THE YEARS ENDED AUGUST 31, 1996 AND 1995

	YEAR ENDED AUGUST 31 1996	1995
	-----	-----
FUND BALANCE - BEGINNING	4,764.87	23.05
DEPOSITS IN FUND		
Transfers from Operating Fund	390,800.98	440,000.00
Transfers from Interest Fund	2,329.29	0.00
Transfers from Reserve Fund	3,962.87	168.06
Transfers from Renewals, Replacements & Extension Fund	1,940.88	3,423.29
Transfers from Sinking Fund	666.18	0.00
Transfers from Series 1994A	10,899.03	94,179.85
Earnings from investments	0.00	0.00
-----	-----	-----
Total Deposits	413,787.06	497,762.16
	-----	-----
	418,582.73	497,785.23
DISBURSEMENTS FROM FUND		
Transfers to Interest Fund	347,473.09	163,930.93
Transfers to Reserve Fund	0.00	62,552.58
Transfers to Series 1994A	0.00	35.85
Transfers to Sinking Fund	360,443.11	268,408.80
-----	-----	-----
Total Disbursements	418,416.80	493,008.16
	-----	-----
FUND BALANCE - ENDING	1,666.00	4,764.87
	-----	-----

GREATER OKLAHOMA WATER COMPANY
STATEMENTS OF INCOME

	TOTAL WATER	
	YEAR ENDED AUGUST 31 1988	1987
OPERATING REVENUE		
Revenue	2,899,834.57	2,821,216.76
Deferred Payments	67,834.57	64,218.00
Bad Debt Charges	29,417.00	60,470.00
Sewer Disposition Fees	448.00	688.00
Total Operating Revenue	3,032,745.24	2,946,988.82
DIRECT OPERATING EXPENSES		
Operating Contract	985,828.00	758,764.88
Power	228,440.00	300,464.04
Maintenance	204,100.00	209,613.47
Chemicals - Sewer	32,030.00	66,222.00
Testing - Sewer	19,530.00	19,530.00
Engineering Services	7,165.50	3,587.00
Water Purchased	571,183.43	543,471.63
Water Used in Sewer Plant	850.33	3,883.70
Service Fees - Sewer	4,843.00	0.00
Right of Way	3,275.00	6,388.00
Total Direct Operating Expenses	2,883,283.27	2,985,988.82
NET OPERATING INCOME	3,032,745.24	2,828,689.72
ADMINISTRATIVE EXPENSES	148,914.60	142,800.50
NET OPERATING PROFIT	2,883,830.64	2,685,889.22
OTHER INCOME	53,756.17	79,800.61
	303,334.54	278,633.83
OTHER EXPENSES	399,855.87	228,848.88
NET INCOME BEFORE AMORTIZATION & DEP'N.	243,534.97	249,835.81
AMORTIZATION & DEPRECIATION		
Amort. of Bond Discount	1,912.00	1,912.00
Amort. of Bond Issue Exp.-1984 & 85	1,594.36	1,595.36
Amort. of Bond Issue Exp.- 1984E	3,357.60	3,357.60
Depreciation Expense	429,329.00	378,840.00
Total Amortization & Depreciation	432,192.96	385,695.64
NET INCOME FOR THE YEAR	201,342.01	204,240.17

GREATER CINCINNATI WATER COMPANY
ANALYSIS OF REDEMPTION PAYMENT ACCOUNT
AUGUST 31, 1996

CASH IN FIRST NATIONAL BANK OF COMMERCE	0.01
INVESTMENTS	
Liquid Asset Treasury	0.00

Total of Fund	0.01

REDEMPTION PAYMENT ACCOUNT
COMPARATIVE ANALYSIS OF DEPOSITS AND DISBURSEMENTS
FOR THE YEARS ENDED AUGUST 31, 1996 AND 1995

	YEAR ENDED AUGUST 31	
	1996	1995
	-----	-----
FUND BALANCE - BEGINNING	0.01	0.01
DEPOSITS IN FUND		
Total Deposits	0.00	0.00
	-----	-----
	0.01	0.01
DISBURSEMENTS FROM FUND		
Total Disbursements	0.00	0.00
	-----	-----
FUND BALANCE - ENDING	0.01	0.01
	-----	-----

GREATER OKLAHOMA WATER COMPANY
NOTICE TO FINANCIAL STATEMENTS
AUGUST 31, 1994

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

	PERIOD 1994	PERIOD 1993	PERIOD 1992	TOTAL
Total Cost	20,348.34	20,727.15	41,954.87	82,030.36
Less Prior Year Amortization	21,350.88	18,390.34	8,820.32	48,561.54
Less Current Year Amortization	1,065.88	582.54	2,387.40	4,035.82
Total Amortization	22,416.76	18,972.88	11,207.72	52,597.36
Balance at August 31, 1994	1,028.65	1,754.05	30,747.15	33,539.85

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, 1994, totaled \$226,578.25, and for the year ended August 31, 1993, totaled \$1,821,419.44. Shown below is an analysis of the cost of the system by expenditures from various funds:

	BALANCE 8/31/93	DURING YEAR	BALANCE 8/31/94
Bond Proceeds Series 1984	1,922,208.88		1,922,208.88
Bond Proceeds Series 1985	807,212.44		807,212.44
General Fund	7,046,253.12	585,608.75	8,213,857.87

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15000 Lakeview Junction
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GREATER ORANGEVIEW WATER COMPANY
BUNKER, LOUISIANA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED AUGUST 31, 1998 AND 1999
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 auditor, or reviewed, authorized officer appropriate public officials. The report is available for public inspection at the State Comptroller of Public Accounts Auditor for that state, or appropriate, at the office of the public clerk of court

Issued Date: JAN 22 2001

WEBB AND WEBB
CERTIFIED PUBLIC ACCOUNTANTS
MONROE, LOUISIANA

GREATER DUNCANITA WATER COMPANY
 FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
 FOR THE YEARS ENDED AUGUST 31, 1998 AND 1999

CONTENTS

	PAGE
Auditors' Report on Financial Statements	1
Balance Sheets	2
Statements of Income	3
Statements of Surplus	4
Statements of Increase (Decrease) in Cash and Cash Equivalents	5
Notes to Financial Statements	6-12
SUPPLEMENTARY INFORMATION	
Auditors' Report of Supplementary Information	13
Plant and Equipment and Depreciation	14
Schedule of Insurance	15
Revenue Fund	16
Interest Fund	17
Reserve Fund	18
Renewals, Replacements & Extensions Fund	19
Sinking Fund	20
Series 1994A Fund	21
Analysis of Redemption Payment Account	22
Accounts Payable	23
Details of Administrative Expenses	24
Details of Other Income and Other Expenses	25
Interest Earned on Investments	26
Comparative Statistics	27

WHITTE AND WHEAT
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Greater Ouachita Water Company, as of August 31, 1994, and 1995, and the related statements of income, surplus, 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 auditing.

We conducted our audits in accordance with generally accepted auditing standards. These 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 opinions.

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, 1994 and 1995, and the results of its operations and cash flows for the years then ended, in conformity with generally accepted accounting principles.

As discussed in Note F, Greater Ouachita Water Company was alleged by L&B800 to have violated certain provisions of the Louisiana Water Control law. The financial statements were adjusted on August 31, 1995, to reflect the action of the State of Louisiana for these instances of non-compliance.

William R. White
WHEAT AND WHEAT

Monroe, Louisiana
November 18, 1995

GREATER CHICAGO WATER COMPANY
BALANCE SHEET

ASSETS

	PERIOD END	
	1994	1993
PLANT & EQUIPMENT		
Cost of System	18,828,474.00	14,688,887.75
Accumulated Depreciation	(4,788,848.26)	(4,949,336.30)
Net Plant & Equipment	<u>14,039,625.74</u>	<u>13,509,581.45</u>
SPECIAL FUNDS		
Reserve Fund	1,888.93	4,784.81
Interest Fund	91,883.52	329,688.51
Reserve Fund	132,319.34	329,824.38
Renewals, Replacements & Extensions Fund	21,728.28	89,247.88
Sinking Fund	321,745.88	330,170.28
Series 1994A Improvement Fund	178,788.72	477,114.75
Redemption Payment Account	8.83	9.83
Total Special Funds	<u>747,743.18</u>	<u>1,545,243.02</u>
CURRENT ASSETS		
General Fund Cash	335,481.51	84,602.45
Accounts Receivable - Customers	479,342.95	483,764.18
Accounts Receivable - Returned Checks	5,248.88	3,419.18
Allowance for Bad Accounts	<u>(2,509.33)</u>	<u>(2,864.84)</u>
	482,342.00	500,688.46
Prepaid Expense	8,383.84	23,839.55
Total Current Assets	<u>614,817.37</u>	<u>608,613.46</u>
DEFERRED CHARGES		
Unamortized Bond Discount	8,727.60	7,658.38
Unamortized Bond Issue Expense	48,213.71	43,318.42
Total Deferred Charges	<u>56,941.31</u>	<u>50,976.80</u>
OTHER ASSETS		
Deposits	12,988.80	12,988.80
TOTAL ASSETS	<u>13,387,897.58</u>	<u>13,177,211.49</u>

GREATER DUNCANITA WATER COMPANY
BALANCE SHEET

LIABILITIES

	AUGUST 31	
	1996	1995
	-----	-----
LONG-TERM DEBT		
Bonds Payable - Series 1994 & 1995	882,800.00	1,030,000.00
Bonds Payable - Series 1994A	1,883,800.00	2,000,000.00
Total Long-Term Debt	2,766,600.00	3,030,000.00
FUNDED LIABILITIES		
Interest Payable	78,824.28	88,260.00
CURRENT LIABILITIES		
Accounts Payable - Trade	184,583.80	232,708.70
Accounts Payable - West Duncanita Sewer	137,188.83	130,817.04
Accounts Payable - Other Sewer	70,832.48	46,067.58
Payroll Taxes Payable	372.77	491.72
Sales Taxes Payable	8,524.00	8,418.00
Total Current Liabilities	400,493.88	418,511.04
DEFERRED LIABILITIES		
Customer Meter Deposits	322,728.00	304,742.00
TOTAL LIABILITIES	3,508,683.90	3,841,503.04
	-----	-----
SURPLUS		
CONTRIBUTION IN AID OF CONSTRUCTION (non-refundable)	1,836,358.59	1,896,387.49
UNAPPORTIONED SURPLUS	8,822,483.09	8,838,321.14
	-----	-----
	8,798,823.88	8,330,708.63
TOTAL LIABILITIES & SURPLUS	12,307,507.88	12,177,211.67
	-----	-----

GREATER QUINCY WATER COMPANY
COMPARATIVE STATISTICS

	MONTH 31 1994	MONTH 31 1995	MONTH 31 1996	MONTH 31 1997	MONTH 31 1998
Total number of water customers at end of year	12,480	12,506	12,327	12,652	11,821
Average monthly consumption per water customer	8.2 M gal.	7.7 M gal.	7.6 M gal.	7.7 M gal.	7.5 M gal.
average monthly bill per water customer	\$16.62	\$16.07	\$15.92	\$15.81	\$15.50
Total number of sewer customers at end of year	2,147	1,980	1,877	2,060	1,819
Average monthly bill per sewer customer	\$16.34	\$16.03	\$15.86	\$17.76	\$6.68

GREATER CINCINNATI WATER COMPANY
 INTEREST EARNED ON INVESTMENTS
 AUGUST 31, 1986

	YEAR ENDED AUGUST 31 1986	AUGUST 31 1985
	-----	-----
GENERAL FUND	0.00	0.00
REVENUE FUND	0.00	0.00
RESERVE FUND	6,766.33	5,721.46
REPAIRS, REPLACEMENTS & EXTENSIONS FUND	1,563.88	4,448.93
SINKING FUND	17,618.85	9,577.64
INTEREST FUND	4,003.06	5,591.63
SEWER 1984 FUND	16,403.27	47,266.56
	-----	-----
TOTAL	46,324.89	72,626.62
	-----	-----

GREATER OKLAHOMA WATER COMPANY
STATEMENT OF SURPLUS

	AMOUNT IN	
	1998	1999
	-----	-----
CONTRIBUTIONS IN AID OF CONSTRUCTION		
Balance - Beginning	1,696,387.49	1,611,372.51
Additions		
Meter Tap Fees	79,357.95	53,119.42
Sewer Tap Fees	12,460.00	18,250.00
Other	49,748.13	17,846.86
Balance - Ending	1,805,350.58	1,696,387.49

UNAPPORTIONED SURPLUS		
Balance - Beginning	4,639,321.16	4,252,563.99
Additions		
Net Income For The Year	283,341.93	395,757.17
Balance - Ending	4,922,663.09	4,639,321.16

TOTAL SURPLUS - ENDING	6,728,013.67	6,335,708.65
	-----	-----

1. Debt
2. Payables & Accrued Liabilities
3. Exp/Gas

4. Accounting applications:
 - a. Billings
 - b. Receivables
 - c. Cash Receipts
 - d. Accounts Payable
 - e. Cash Disbursements
 - f. General Ledger

5. Cycle of the entity's activities

6. 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 J. Webb

November 18, 1998

GREATER OMAHAITA WATER COMPANY
 SCHEDULE OF ACCOUNTS PAYABLE
 AUGUST 31, 1998

ALPHATECH MEASURING SYSTEMS, INC.	88.00
BARGER MEIER, INC.	3,047.46
BILLY J. TAYLOR, CONTRACTOR	151.20
BEALTY'S FRS, INC.	78.33
BERARD-DANBERG, INC.	762.34
D & M SYSTEMS SALES, INC.	330.50
DELTA PROCESS EQUIPMENT, INC.	244.85
DPC INDUSTRIES, INC.	3,862.50
FIRST NATIONAL BANK OF COMMERCE	4,776.19
GRAINGER INDUSTRIAL & COMMERCIAL EQUIP. INC.	110.00
L & R UTILITIES	28.00
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY	6,000.00
M-S UTILITIES, INC.	120,190.81
MOORE COMMUNICATIONS INC.	41.00
MOORE ENVIRONMENTAL LAB. INC.	3,780.00
OFFICE OF WATER RESOURCES	1,992.88
ONE CALL CONCEPTS, INC.	276.50
PACO PUMPS, INC.	1,881.25
STEER CHEMTRON, INC.	3,828.01
TAXATION & REVENUE DEPT. - CITY OF MOORE	15,000.00
THE MAMA STAR	23.65
TURNEK CONTROLS, INC.	45.01
WEST FORD HILLS & FARM SUPPLY, INC.	48.60

	184,351.40

WEBB AND WEBB
Chartered CPAs - Accountants
and Financial Planners
1000 NORTH BRIDGE STREET
SUITE 1000
DENVER, COLORADO 80202
303 733 1700

MEMBER OF PRICEWATERHOUSECOOPERS

MEMBER OF THE INSTITUTE OF CHARTERED ACCOUNTANTS
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED FINANCIAL PLANNERS

We have audited the financial statements of Greater Gaschita Water Company as of August 31, 1994, and 1993, and have issued our report thereon, dated November 30, 1994.

We conducted our audit in accordance with general accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 Gaschita Water Company for the years ended August 31, 1994, and 1993, 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 Gaschita 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 recorded 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 not 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

Executive Auditor
Legislative Auditor

By _____

affair our report dated November 30, 1996, on those financial statements.

Except as described above, the results of our test of compliance indicated that, with respect to the items tested, Greater Deschutes Water Company complied, in all material respects, with the provisions referred to in the third paragraph of this report; and, with respect to items not tested, nothing came to our attention that caused us to believe that Greater Deschutes 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.


Barry Webb

November 18, 1996

SUPPLEMENTARY INFORMATION

GREATER COLUMBIA WATER COMPANY
DETAILS OF ADMINISTRATIVE EXPENSES

	TOTAL SYSTEM	
	YEAR ENDED AUGUST 31 1986	1985
ACCOUNTING	15,455.00	18,825.00
ADVERTISING	2,842.40	829.50
BAKE CONSUMES	184.84	84.34
DATA	220.00	388.80
INSPECTION & SUPERVISION FEE	4,266.80	4,110.40
INSURANCE	24,882.88	27,985.68
LEGAL & ADMINISTRATIVE	24,088.24	25,183.52
MISCELLANEOUS	4,827.88	4,887.87
OFFICE SUPPLIES & EXPENSE	14,078.87	13,350.41
PHYSICAL TRASH	2,760.88	2,308.04
POSTAGE	1,014.88	1,827.82
SALARIES - OFFICERS	25,208.28	25,500.00
SALARIES - OFFICE	3,356.88	3,246.82
TRAVEL & LICENSES	8,779.15	8,874.80
TELEPHONE	1,857.92	1,874.23
TREAS.	2,415.06	8.00
TRUCKER FEES	8,874.07	8,588.86
	-----	-----
	146,914.60	142,800.52
	*****	*****

EXPANDED IN THE FOLLOWING MANNER:

	YEAR ENDED AUGUST 31, 1986	
WATER REVENUE	2,828,045.88	87,2238
SEWER REVENUE	287,984.16	12,8778
	-----	-----
	3,013,829.64	100,0008
	*****	*****

CHRYSLER FINANCIAL SERVICES COMPANY
DETAILS OF ADMINISTRATIVE EXPENSES

WATER SYSTEM		SEWER SYSTEM	
YEAR ENDED AUGUST 31	1998	YEAR ENDED AUGUST 31	1998
1998	1997	1997	1996
21,464.88	13,461.21	3,990.12	1,893.79
1,779.68	170.38	263.61	93.13
343.68	82.82	21.20	12.84
296.03	282.91	28.97	28.69
3,717.97	3,594.61	549.43	515.65
23,882.97	24,474.82	3,458.98	3,510.94
9,828.63	16,148.87	16,982.52	16,014.78
4,031.59	4,378.89	585.87	613.18
12,262.34	9,826.52	1,812.83	1,423.89
2,406.37	2,018.52	383.52	289.94
889.98	1,598.28	190.58	228.28
12,641.88	22,101.98	3,346.48	3,199.00
3,934.95	2,839.26	432.25	607.27
1,379.80	1,437.30	7,499.35	8,407.20
1,853.53	1,438.11	244.39	295.12
2,184.08	0.00	328.98	0.00
6,888.31	6,274.08	2,881.76	3,235.81
107,998.65	106,664.22	40,915.88	34,136.30

FOOTNOTED IN THE FOLLOWING TABLE:

YEAR ENDED AUGUST 31, 1998	
2,576,844.18	87,4258
369,643.34	12,5428
2,946,487.52	100,0008

GREATER OKMACHITA WATER COMPANY
 DETAILS OF OTHER INCOME AND OTHER EXPENSES

	TOTAL SYSTEM	
	YEAR ENDED AUGUST 31 1986	1985
	-----	-----
OTHER INCOME		
Cash Over	0.00	0.00
Bad Debt Recovery	1,035.56	613.03
Discounts Earned	706.92	1,183.61
Interest Earned	48,824.89	72,623.04
Miscellaneous	1,511.15	888.58
NSF Check Charges	4,853.00	4,270.00
Oil & Gas Royalties	84.75	47.61
West Okmacha Sewer District Lease	0.00	750.00
	-----	-----
Total Other Income	58,066.27	79,802.61
	-----	-----
OTHER EXPENSES		
Interest Expense - Bonds S. 1964 & 1965	42,600.00	51,500.00
Interest Expense - Bonds S. 1994A	137,812.50	125,800.00
Interest Expense - Customer Deposits	25,898.57	15,187.98
Reserve Expense	0.770.00	0.00
NSF Check Charges	4,853.00	4,240.00
Provision For Bad Accounts	23,102.37	13,080.85
Cash Short	139.53	40.89
	-----	-----
Total Other Expenses	199,066.27	209,048.00
	-----	-----

GRANITE QUICHETA WATER COMPANY
 DETAILS OF OTHER INCOME AND OTHER EXPENSES

METER SYSTEM		SEWER SYSTEM	
YEAR ENDED AUGUST 31	1996	YEAR ENDED AUGUST 31	1996
	1995	1995	1995
	0.00	0.00	0.00
	1,035.56	619.85	0.00
	708.93	1,303.81	0.00
	19,921.62	26,284.79	16,409.37
	1,511.25	386.50	0.00
	4,893.00	4,270.80	0.00
	94.75	47.81	0.00
	0.00	0.00	0.00
	37,383.10	32,714.36	16,409.37
	39,758.38	48,748.87	2,243.64
	0.00	0.00	117,812.58
	15,993.57	15,167.06	225,008.00
	6,903.44	4.00	0.00
	4,088.00	4,369.00	873.54
	11,545.42	11,508.48	0.00
	119.93	60.49	1,866.95
	37,371.34	39,744.90	0.00
	117,812.58	117,812.58	117,812.58
	122,486.63	122,486.63	122,486.63
	129,503.10	129,503.10	129,503.10

WERN AND WERN
Certified Public Accountants
401 PINE STREET
HOUSTON, TEXAS 77002
MEMBER - AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

ISSUANCE DATE: NOV. 20, 1986
PERIOD: 1985 AND 1986

REPORT
APPROVED FOR ISSUANCE BY
THE BOARD OF ACCOUNTANTS
ON NOVEMBER 19, 1986

We have audited the financial statements of Greater Deachita Water Company as of August 31, 1986, and 1985, and have issued our report thereon, dated November 20, 1986.

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 Deachita Water Company is the responsibility of Greater Deachita 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 Deachita 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 violations 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 instances of noncompliance that is material to the financial statements and has been recognized in Greater Deachita Water Company's 1986 and 1985 financial statements.

As noted in note F of the notes to financial statements of the reports ended August 31, 1986 and 1985, Greater Deachita Water Company was issued a compliance order from the Louisiana Department of Environmental Quality for certain violations of the Louisiana Water Control law. A \$8,000.00 fine was levied on April 5, 1986, and a liability was recognized at that time.

We considered this instance of noncompliance in forming our opinion on whether Greater Deachita Water Company's 1986 and 1985 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles and this report does not

GREATER CINCINNATI WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 1986

be started some time in mid 1986. A third plant along Hwy. 165 north, will be constructed after the first two plants have been completed and are in operation. Sewer customers not connected to the regional plants will be transferred to other sewer districts or serviced by other utility companies pursuant to contractual agreements with GWC. The anticipated cost to fully comply with the permit requirements and the construction of these treatment plants is approximately \$8,280,000. The company's application for a sewer rate increase to obtain sufficient revenue to pay for these sewage improvements was granted in part and is still pending.

NOTE F - PENSION PLAN

A money purchase pension plan was put into effect on September 1, 1985. All employees of the company are eligible. The company will contribute on the behalf of each participant 15% of the participant's compensation. The amount contributed during the year ended August 31, 1986, was \$6,176.00.

GREATER CINCINNATI WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 1984

Renewals, Replacements &			
Interceptors Fund	2,941,424.75	63,181.09	2,974,615.84
Revenue Fund	39,428.84		39,428.84
Series 1994A Fund	1,196,195.89	297,778.41	1,494,174.31
Contributions			
Lakeview Utilities, Inc.			
Water & Sewer System	198,000.00		198,000.00
North LA Production Coop.			
Water System	71,600.00		71,600.00
D & M Utilities, Inc.			
Water System	44,658.00		44,658.00
	14,931,143.89	926,574.35	15,857,748.14
Less Retirements			
Gas System Transferred (231,266.38)		(231,266.38)
Total	14,699,877.51	926,574.35	15,626,478.86

NOTE D - 1981-1988-1991

The company issued bonds known as "Waterworks & Natural Gas System Revenue Bonds" in two series. Series 1984 bonds total \$2,378,000.00, are dated September 1, 1984, and mature September 1, 1989. Series 1988 bonds total \$1,850,000.00, are dated March 1, 1988, and mature September 1, 1989. Interest is paid semi-annually on March 1, and September 1. The interest rate is 6.5% through August 31, 1973, 5.625% from September 1, 1973, through August 31, 1979, and 5.00% from September 1, 1979, until maturity.

On March 16, 1984, the company issued bonds known as "Greater Cincinnati Water Company Waterworks and Natural Gas System Bonds, Series 1984B" in the amount of \$2,380,000.00. Interest is paid semi-annually on March 1, and September 1. The interest rate is 6.25% through February 29, 1990, and thereafter shall bear interest at the rate determined by the Trustee on March 1, 1990, by adding 100 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, Monroe, Louisiana on such date. Principle shall be payable annually on September 1 in each year commencing September 1, 1995.

GREATER OKLAHOMA WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 1994

period under review, additions and expenditures made to and from this fund for improvements to the system resulted in a balance of \$63,351.85.

4. Sinking Fund, an amount beginning September 15, 1994, which when 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, 1995 - 1996	3,505,800.00
August 15, 1998	310,000.00

	3,805,800.00

The annual amount due on August 15, 1997, will be \$338,000.00.

5. Mandatory Retirement Fund, all remaining monies. On August 31 of each year, beginning August 30, 1969, all monies in the Sinking Fund will be transferred to this fund. As August 31, 1994, 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 discount:

	SERIES 1984	SERIES 1990	Series 1994B	TOTAL
Original Bond Discount	45,480.00	19,080.00	.00	64,560.00
Less Prior Year Amortization	48,251.50	18,508.32	.00	66,759.82
Less Current Year Amortization	1,287.88	829.82	.00	2,117.70
	-----	-----	-----	-----
Total Amortization	49,539.38	19,338.14	.00	68,877.52
	-----	-----	-----	-----
Balance at August 31, 1994	1,081.52	1,041.86	.00	2,123.38
	-----	-----	-----	-----

GREATER OKLAHOMA WATER COMPANY
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 1994

W. D. Carter, Chairman of the Board	10,395.36
Robert K. Benda, President	6,487.04
Wood T Sparks, Secretary-Treasurer	8,255.88
	25,288.28

NOTE 3 - 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 - 50 years
Various Equipment	5 - 20 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 Reserve Fund.

Monies received in the Reserve 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, 1994, the balance in the Interest Fund was \$91,483.52. Interest payable at August 31, 1994, was \$79,306.25.
2. Reserve Fund until an amount equal to 100% of the maximum annual interest requirements on all outstanding bonds is accumulated or restored.
3. Repairs, Replacements & Extensions Fund until \$150,000.00 is accumulated or restored. During the

GREATER OUCHITA WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 1964

NOTE A. - HISTORY AND ORGANIZATION

The Greater Ouchita Water Company was incorporated May 29, 1963, under the laws of the State of Louisiana, as a nonprofit organization. The company was organized to consolidate various water companies operating in Ouchita 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 12, 1963, between the Greater Ouchita Water Company and the Parish of Ouchita, 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 Ouchita Water Company and the First National Bank of Commerce in New Orleans, 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 three series. Proceeds of the first series (Series 1964) were received on September 24, 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 1964A) were received on March 14, 1964. These proceeds are to be used in the building of a new sewer treatment plant.

The company began operations September 24, 1964. It has an agreement with M-N Utilities, Inc., West Monroe, Louisiana to operate the system. Harry M. Nichols, West Monroe, Louisiana, is the president of M-N Utilities, Inc.

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

continued on next page

GREATER GUADALUPE WATER COMPANY
STATEMENT OF INCREASE (DECREASE) IN
CASH AND CASH EQUIVALENTS

	YEAR ENDED AUGUST 31 1994	1993
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	283,941.93	386,707.23
Noncash Items Included In Net Income		
Amortization of Bond Discount	1,912.88	1,912.88
Amortization of Bond Issue Expense	4,953.94	4,953.94
Depreciation	425,509.88	378,948.00
Changes In:		
Accounts Receivable	18,803.44	(51,257.44)
Prepaid Expenses	17,948.31	(2,788.83)
Unamortized Bond Issue Expense	(7,506.25)	8.00
Interest Payable	(8,343.75)	381.11
Accounts Payable - Trade	(48,358.10)	3,804.38
Accounts Payable - General	30,288.00	14,874.80
Payroll Taxes	128,950	(186,433)
Sales Taxes	338.00	1,881.08
Total Adjustments	1,329.78	(84,307.83)
Net Cash Provided by (Used by) Operating Activities	713,271.35	732,308.88
CASH FLOWS FROM INVESTING ACTIVITIES:		
Plant & Equipment	(828,578.25)	(3,821,413.44)
Net Cash Provided by (Used by) Investing Activities	(828,578.25)	(3,821,413.44)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Investments in Special Funds	397,888.86	1,163,810.88
Customer Water Deposits	17,888.00	16,362.00
Contributions in Aid of Construction	138,943.10	85,218.98
Redemption of Bonds Payable	(888,888.00)	(340,889.00)
Net Cash Provided by (Used by) Financing Activities	258,187.96	1,085,877.86
NET INCREASE (DECREASE) IN CASH	42,773.06	(13,227.40)
CASH AT BEGINNING OF YEAR	84,832.45	187,337.24
CASH AT END OF YEAR	325,483.51	84,109.84
	-----	-----

GREATER OAKCREEK WATER COMPANY
STATEMENTS OF INCOME

WATER SYSTEM		SEWER SYSTEM	
YEAR ENDED AUGUST 31	YEAR ENDED AUGUST 31	YEAR ENDED AUGUST 31	YEAR ENDED AUGUST 31
2006	2005	2006	2005
2,584,793.94	2,452,268.22	386,040.68	368,988.54
87,834.87	84,238.08	0.00	0.00
53,437.00	48,470.00	0.00	0.00
0.00	0.00	640.00	688.00
2,625,045.48	2,576,948.28	386,700.68	369,685.54
648,623.75	624,544.28	144,894.25	135,220.20
271,586.43	272,880.22	49,848.27	27,642.73
212,388.78	284,832.88	23,822.87	24,729.79
0.00	0.00	52,438.88	48,222.96
0.00	0.00	39,337.88	15,324.00
7,183.58	2,857.88	0.00	0.00
571,183.43	547,470.82	0.00	0.00
0.00	0.00	888.23	3,640.70
0.00	0.00	4,822.88	0.00
3,278.00	4,388.00	0.00	0.00
1,796,140.88	1,634,287.20	285,668.48	272,772.38
918,902.59	842,736.55	93,648.18	96,873.14
197,356.65	188,664.22	48,545.95	34,134.30
810,903.34	836,872.34	58,728.23	62,736.84
39,363.10	32,714.34	16,493.27	47,688.25
848,267.04	866,388.79	87,127.50	108,825.33
77,371.34	78,744.88	120,488.88	129,383.38
770,895.70	787,643.88	65,638.62	118,442.00
1,610.50	1,610.50	102.18	182.38
1,511.00	1,511.00	85.28	85.28
0.00	0.00	3,327.60	3,327.68
537,299.00	521,327.00	87,730.00	52,883.88
340,830.58	324,658.58	81,278.08	78,148.88
429,975.18	462,380.22	148,633.10	175,626.85

GREATER OUCHITA WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 1986

During the year ended August 31, 1986, \$186,088.00 in bonds were redeemed, and during the year ended August 31, 1985, \$180,080.00 in bonds were redeemed, bringing the total of all bonds redeemed to \$2,595,880.00. The balance of bonds outstanding at August 31, 1986, was \$2,739,280.00.

NOTE K - LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

On or about March 16, 1980, the Louisiana Department of Environmental Quality ("LaDEQ") issued Compliance Order No. WC-86-014 to the Greater Ouachita Water Company ("GOWC") alleging certain violations of the Louisiana Water Control Law, the Louisiana Water Regulations and previously issued compliance Order No. WC-86-145.

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

On or about April 8, 1980, LaDEQ issued a proposed penalty notice (WP-80-013) in the amount of \$4,000.00 to GOWC, and in 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, GOWC will pay the \$4,000.00 penalty in total settlement of the claims alleged by the compliance order and/or which could be alleged and GOWC 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 \$4,000.00 has been accrued as an other expense to the sewer plant during the year ended August 31, 1980.

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. Construction has commenced on the first treatment plant located in the northeastern portion of Ouachita Parish, Louisiana adjacent to Hwy. 188. Construction on the second plant, located adjacent to Hwy. 148 south, will