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**EAST COLUMBIA SEWERAGE DISTRICT**  
Columbia, Louisiana

**General Purpose Financial Statements  
With Accountant's Compilation Report  
As of and for the Year Ended  
December 31, 1996  
With Supplemental Information Schedule**

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

Release Date \_\_\_\_\_ 817

EAST COLUMBIA SEWERAGE DISTRICT  
Columbia, Louisiana

General Purpose Financial Statements  
With Accountant's Compilation Report  
As of and for the Year Ended  
December 31, 1996  
With Supplemental Information Schedule

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*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

507 DOWNSHAW ROAD • CALIBORN, LOUISIANA 71225 • TELEPHONE 538-6443/5376

**Accountant's Compilation Report**

BOARD OF COMMISSIONERS  
EAST COLUMBIA SEWERAGE DISTRICT  
Columbia, Louisiana

I have compiled the general purpose financial statements and supplemental information schedule, as listed in the foregoing table of contents, of the East Columbia Sewerage District as of December 31, 1996, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and schedules information that is the representation of management. I have not audited or reviewed the accompanying financial statements and schedule and, accordingly, do not express an opinion or any other form of assurance on them.



Caliborn, Louisiana  
February 27, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS

EAST COLUMBIA SEWERAGE DISTRICT  
Columbia, Louisiana  
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement A

Balance Sheet, December 31, 1998

**ASSETS**

Cash	
Accounts receivable (net of allowance for uncollectibles)	\$14,759
Property, plant, and equipment (net of accumulated depreciation) - collection and treatment facilities	2,120
	<u>405,036</u>
<b>TOTAL ASSETS</b>	<u>\$421,915</u>

**LIABILITIES AND FUND EQUITY**

**Liabilities:**

Accounts and withholdings payable	\$663
Customer deposits	2,120
<b>Total Liabilities</b>	<u>2,783</u>

**Fund Equity:**

Contributed capital (net of accumulated depreciation on fixed assets contributed by police jury)	405,036
Retained earnings - unreserved	13,078
<b>Total Fund Equity</b>	<u>418,114</u>

**TOTAL LIABILITIES AND FUND EQUITY** \$421,915

See accompanying notes and accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT  
Columbia, Louisiana  
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Revenues, Expenses, and  
Changes in Retained Earnings  
For the Year Ended December 31, 1996

<b>OPERATING REVENUES</b>	
Service fees	<u>\$14,413</u>
<b>OPERATING EXPENSES</b>	
Salaries and related benefits	3,426
Commissioners per diem	2,875
Utilities	1,291
Office expense	1,836
Depreciation	12,898
Labor	805
Materials and supplies	879
Travel	600
Insurance	100
Total operating expenses	<u>26,197</u>
<b>NET INCOME (Loss)</b>	(11,784)
Add depreciation on fixed assets contributed by police jury	12,898
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<u>17,004</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u>\$15,078</u>

See accompanying notes and accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT  
Columbia, Louisiana  
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Cash Flows  
For the Year Ended December 31, 1998

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$15,990
Cash paid to suppliers and employees	(7,693)
Cash paid to others for services, taxes, etc.	<u>(5,006)</u>
<b>NET INCREASE IN CASH</b>	1,291
<b>CASH AT BEGINNING OF YEAR</b>	<u>13,468</u>
<b>CASH AT END OF YEAR</b>	<u>\$14,759</u>

**RECONCILIATION OF NET INCOME (Loss) TO  
NET INCREASE IN CASH**

Net income (loss)	(\$11,794)
Adjustments to reconcile net income (loss) to net increase in cash:	
Depreciation	12,898
Changes in assets and liabilities:	
Decrease in accounts receivable	257
Decrease in accounts and taxes payable	(18)
Decrease in customer deposits	(7)
Total adjustments	<u>12,015</u>
Net increase in cash	<u>\$1,291</u>

See accompanying notes and accountant's compilation report.

**EAST COLUMBIA SEWERAGE DISTRICT**  
Columbia, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended  
December 31, 1996

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The East Columbia Sewerage District was created by the Caldwell Parish Police Jury, as authorized by Louisiana Revised Statute 33:1881. The district is governed by a five member board appointed by the police jury. The district is responsible for maintaining and operating a sewerage collection and disposal system within the boundaries of the district.

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the East Columbia Sewerage District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Caldwell Parish Police Jury is the financial reporting entity for Caldwell Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining which component units should be considered part of the Caldwell Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:



EAST COLUMBIA SEWERAGE DISTRICT  
Columbia, Louisiana  
Notes to the Financial Statements (Continued)

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the police jury to impose its will on the organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the board of commissioners, the East Columbia Sewerage District was determined to be a component unit of the Calwell Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the East Columbia Sewerage District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

### C. FUND ACCOUNTING

The East Columbia Sewerage District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

**EAST COLUMBIA SEWERAGE DISTRICT**  
Columbia, Louisiana  
Notes to the Financial Statements (Continued)

**D. FIXED ASSETS**

Fixed assets of the district are included on the balance sheet of the fund and are recorded at actual cost. Fixed assets reported on the balance sheet are net of accumulated depreciation. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful life of 40 years for the collection and treatment facilities.

**E. BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as the time liabilities are incurred. Service fees are recognized in the period the service is provided to the customer. Salaries and other expenses are recognized when incurred.

**F. CASH**

Cash includes amounts in demand deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with banks organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. At December 31, 1996, the district has cash (bank balance) totaling \$34,759.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Cash (bank balance) at December 31, 1996, is fully secured by federal deposit insurance.

EAST COLUMBIA SEWERAGE DISTRICT  
Columbia, Louisiana  
Notes to the Financial Statements (Continued)

G. VACATION AND SICK LEAVE

The district has no regular employees requiring the adoption of vacation and sick leave policies.

H. CONTRIBUTED CAPITAL

Grants, reimbursements, or shared revenues that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is reduced each year by the amount of annual depreciation recognized on that portion of the assets acquired from such contributions.

2. ACCOUNTS RECEIVABLE

At December 31, 1986, the district has net receivables of \$2,120 as follows:

Service fees	\$1,450
Allowance for uncollectible accounts	<u>(230)</u>
Net receivables	<u>\$2,120</u>

The allowance for uncollectible accounts at December 31, 1986 is an estimate of the accounts that will not be collected during 1987.

3. FIXED ASSETS

A summary of fixed assets at December 31, 1986, follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Collection and treatment facilities	<u>\$204,331</u>	<u>(510,205)</u>	<u>\$405,016</u>

See accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT  
Columbia, Louisiana  
Notes to the Financial Statements (Continued)

4. CONTRIBUTED CAPITAL

On July 12, 1988, the East Columbia Sewerage District took over operation of the sewerage system for the district from the Caldwell Parish Police Jury. The police jury transferred all assets of the system in the amount of \$514,331 to the district on this date. The cost of the transferred assets, shown as contributed capital on the balance sheet, is reduced each year by the amount of depreciation expense recognized on the transferred assets. At December 31, 1990, accumulated depreciation on these assets is \$108,285.

5. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 1990, nor is it aware of any asserted claims. The district maintains insurance coverage to reduce the risk of loss resulting from liability claims.

**SUPPLEMENTAL INFORMATION SCHEDULE**

See accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT  
Columbia, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended December 31, 1986

COMPENSATION PAID COMMISSIONERS

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1978 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 33:3857, East Columbia Sewerage District commissioners receive \$40 per meeting attended.

EAST COLUMBIA SEWERAGE DISTRICT  
Columbia, Louisiana

Schedule J

Schedule of Compensation Paid Commissioners  
For the Year Ended December 31, 1996

Shelby Cross	599
Nan Giersch	599
Wayne Handrison	495
M.L. Nelson	599
Mary Yell	599
Total	<u>3,890</u>

See accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT  
COLUMBIA, LOUISIANA  
571-649-2788

**EAST COLUMBIA SEWERAGE DISTRICT  
Columbia, Louisiana  
ANNUAL SWORN FINANCIAL STATEMENTS  
AND CERTIFICATION OF REVENUES \$50,000 OR LESS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1996**

**A F F I D A V I T**

Personally came and appeared before the undersigned authority, Marva Lee Grayson, who, duly sworn, deposes and says, that the financial statements herewith given present fully the financial position of the East Columbia Sewerage District as of December 31, 1996, and the results of operations for the year then ended, in accordance with basis of accounting described within the accompanying financial statements.

In addition, Marva Lee Grayson, who, duly sworn, deposes and says that the East Columbia Sewerage District received \$50,000 or less in revenues and other sources for the fiscal year ending December 31, 1996, and, accordingly, is not required to have an audit for the previously mentioned fiscal year-end.

Marva Lee Grayson  
East Columbia Sewerage District

Sworn to and subscribed before me, this 3rd day of March, 1997.

**RANDY BRADDOCK**  
Notary Public

Randy Braddock  
NOTARY PUBLIC

Caldwell Parish, Louisiana  
Commissioned For Life

Agency: East Columbia Sewerage District  
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