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**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana

**General Purpose Financial Statements  
With Accountant's Compilation Report  
and Agreed-Upon Procedures Report  
As of and for the Year Ended  
December 31, 1998  
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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: **MAR 2 4 2009**

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

General Purpose Financial Statements  
With Accountant's Compilation Report  
and Agreed-Upon Procedures Report  
As of and for the Year Ended  
December 31, 1998  
With Supplemental Information Schedules

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*M. Carlton Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

1819 DONALDSON ROAD • CALICOIN, LOUISIANA 70215 • TELEPHONE 318/844-8726

Accountant's Compilation Report

BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

I have compiled the accompanying general purpose financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the East Columbia Waterworks District, as of December 31, 1998, 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, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated March 12, 1999, on the results of my agreed upon procedures.



Calicoin, Louisiana  
March 12, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

**EAST COLUMBIA WATERWORKS DISTRICT**  
 Columbia, Louisiana  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**

Combined Balance Sheet, December 31, 1998

**ASSETS**

<b>Current assets:</b>	
Cash	857,502
Investments	42,938
Accounts receivable - water sales (net of allowance for bad debts)	32,179
Total current assets	<u>112,559</u>
<b>Restricted assets:</b>	
Cash	154,080
Investments	26,978
Total restricted assets	<u>181,058</u>
<b>Property, plant and equipment (net of accumulated depreciation)</b>	<u>881,891</u>
 <b>TOTAL ASSETS</b>	 <u><b>\$1,175,490</b></u>

**LIABILITIES AND FUND EQUITY**

<b>Current liabilities (payable from current assets):</b>	
Accounts payable	85,414
Payroll taxes payable	685
Sales taxes payable	426
Judgement payable	30,662
Total current liabilities (payable from current assets)	<u>117,187</u>
<b>Current liabilities (payable from restricted assets):</b>	
Revenue bonds payable	25,000
Customer deposits	34,148
Total current liabilities (payable from restricted assets)	<u>59,148</u>
<b>Long-term liabilities - revenue bonds payable</b>	<u>102,800</u>
Total liabilities	<u>279,135</u>
<b>Fund Equity:</b>	
Contributed capital (net of accumulated depreciation on assets acquired with federal grants)	<u>264,444</u>

(Continued)

See accompanying notes and accountant's compilation report.

**EAST COLUMBIA WATERWORKS DISTRICT**  
 Columbia, Louisiana  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
 Combined Balance Sheet, December 31, 1998

**LIABILITIES AND FUND EQUITY (Cont'd.)**

## Fund Equity (Cont'd.)

## Retained earnings:

Reserved for revenue bonds	\$121,911
Unreserved - undesignated	40,750
Total retained earnings	<u>162,661</u>
Total Fund Equity	<u>427,325</u>

**TOTAL LIABILITIES AND FUND EQUITY** **\$1,175,659**

(Continued)

See accompanying notes and accountant's compilation report.

**EAST COLUMBIA WATERWORKS DISTRICT**  
 Columbia, Louisiana  
**PROPRIETARY FUND TYPE - INTERFUND FUND**

Statement of Revenues, Expenses, and  
 Changes in Retained Earnings  
 For the Year Ended December 31, 1998

<b>OPERATING REVENUES</b>	
Water sales	\$104,151
Installation and membership fees	3,660
Total operating revenues	<u>107,811</u>
<b>OPERATING EXPENSES</b>	
Office expenses	5,908
Materials and supplies	21,391
Utilities	5,925
Salaries	24,600
Payroll and sales taxes	8,040
Per diem and travel	11,960
Insurance	15,683
Contract labor	15,613
Collection fees	1,200
Bad debt expense	802
Depreciation	37,343
Other operating expenses	1,686
Total operating expenses	<u>193,150</u>
<b>OPERATING INCOME</b>	<u>37,181</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest earned on deposits	7,581
Other non-operating income	247
Interest expense	(25,650)
Total non-operating revenues (expenses)	<u>(27,822)</u>
<b>NET INCOME</b>	9,909
Add depreciation on fixed assets acquired with federal grant	3,418
<b>NET INCREASE IN RETAINED EARNINGS</b>	<u>10,327</u>
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<u>140,334</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u>\$162,661</u>

See accompanying notes and accountant's compilation report.

**EAST COLUMBIA WATERWORKS DISTRICT**  
**Columbia, Louisiana**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**

**Statement C**

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

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating Income	<u>\$37,161</u>
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation	33,342
Increase in accounts receivable	(285)
Increase in customer deposits	2,001
Increase in accounts and taxes payable	337
Total adjustments	<u>35,415</u>
Net cash provided by operating activities	<u>72,576</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	
Principal on revenue bonds	(24,000)
Interest on revenue bonds	(15,000)
Acquisition of fixed assets	(1,342)
Non-operating income	347
Net cash used by capital financing activities	<u>(40,000)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earnings on bank deposits	7,551
Increase in investments	(5,769)
Net cash provided by investing activities	<u>1,782</u>
<b>NET INCREASE IN CASH</b>	<u>34,358</u>
<b>CASH AT BEGINNING OF YEAR</b>	<u>171,293</u>
<b>CASH AT END OF YEAR</b>	<u>\$195,651</u>

The accompanying notes are an integral part of this statement.



EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 1998

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

East Columbia Waterworks District was created by the Caldwell Parish Police Jury on September 6, 1948, as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the district. The district is governed by a five member board appointed by the police jury on three five-year terms. The board members receive \$20 for each monthly board meeting attended. The district serves approximately 1008 customers and has two part-time employees.

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of East Columbia Waterworks 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 established 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 include:

1. Appointing a voting majority of an organization's governing body,

See accountant's compilation report.

## EAST COLUMBIA WATERWORKS DISTRICT

Columbia, Louisiana

### Notes to the financial statements (Continued)

and:

- a. The ability of the police jury to impose its will on that 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 governing body of the district and has the ability to impose its will on the district, the district was determined to be a component unit of the Calderell Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

#### C. FUND ACCOUNTING

East Columbia Waterworks 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 (expense, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

#### D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic

See accountant's compilation report.

## **EAST COLUMBIA WATERWORKS DISTRICT**

Columbia, Louisiana

### **Notes to the financial statements (Continued)**

resource measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The Enterprise Fund is reported in the accompanying financial statements on the accrual basis of accounting. Revenues, such as water sales and other operating and non-operating income are recognized when they are earned. Interest on bank deposits is recorded when the interest is credited to the account. All expenses of the district are recognized when they are incurred.

#### **E. CASH**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Time deposits with original maturities that exceed 90 days are classified as investments. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under the laws of the State of Louisiana, or any other state of the United States, or under the laws of the United States.

#### **F. INVESTMENTS**

Investments are limited by Louisiana Revised Statute (R.S.) 33:2935 and the district's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 1998, the district's investments consist of nonnegotiable certificates of deposits with original maturities of four years that are reported in the accompanying financial statements at cost.

#### **G. RESTRICTED ASSETS**

Certain resources of the Enterprise Fund set aside for the repayment of revenue bonds and the refunding of customer deposits are classified as restricted assets on the balance sheet because their use is limited.

#### **H. FIXED ASSETS AND LONG-TERM DEBT**

Fixed assets of the district are included on the balance sheet of the enterprise fund

See accountant's compilation report.

## EAST COLUMBIA WATERWORKS DISTRICT

Columbia, Louisiana

Notes to the financial statements (Continued)

and are recorded at actual cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Fixed assets reported on the accompanying balance sheet are net of accumulated depreciation. Depreciation is computed using the straight-line method over estimated useful lives of 40 years for the water distribution system and 5 years for other equipment. Long-term debt is recognized within the enterprise fund.

### 1. VACATION AND SICK LEAVE

The district has two part-time employees. There is no vacation or sick leave granted; therefore, there is no liability for compensated absences.

### 2. CASH AND INVESTMENTS

At December 31, 1998, the district has cash and investments (bank balances) totaling \$261,389 as follows:

Demand deposits	\$44,982
Interest-bearing demand deposits	149,511
Investments	<u>66,896</u>
Total	<u>\$261,389</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 1998, are secured as follows:

Bank balances	<u>\$254,217</u>
Federal deposit insurance	300,000
Pledged securities (noncollateralized)	<u>307,215</u>
Total	<u>\$861,432</u>

See accountant's compilation report.

**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana  
Notes to the financial statements (Continued)

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the district, they are considered uncollateralized (Category 3) under the provisions of GASB Codification 428.108; however, Louisiana Revised Statute 38:1329 imposes a summary requirement on the custodial bank to advertise and sell the pledged securities within 30 days of being notified by the district that the fiscal agent bank has failed to pay deposited funds upon demand.

**3. ACCOUNTS RECEIVABLE**

At December 31, 1998, the district has net receivables of \$32,179, as follows:

Water sales and other charges	\$33,744
Allowance for uncollectible accounts	<u>(7,536)</u>
Net receivables	<u>\$32,179</u>

The allowance for uncollectible accounts at December 31, 1998 is an estimate based on the amount of past due accounts at December 31, 1998.

**4. FIXED ASSETS**

A summary of fixed assets at December 31, 1998, follows:

Land	\$3,950
Water system	1,432,200
Equipment	<u>46,419</u>
	1,482,609
Less accumulated depreciation	<u>(600,758)</u>
Property, plant, and equipment, net	<u>\$881,851</u>

**5. PENSION PLAN**

The two employees of East Columbia Waterworks District are members of the Social Security System. In addition to the employee contributions withheld at 7.65 per cent of gross salary, the district contributes an equal amount to the Social Security System. The district does not guarantee the benefits granted by the Social Security System.

See accountant's compilation report.

**EAST COLUMBIA WATERWORKS DISTRICT**

Columbia, Louisiana

Notes to the financial statements (Continued)

**6. LONG-TERM DEBT**

The long-term liability for revenue bonds represents bonds sold by the district to the United States Department of Agriculture, Farmers Home Administration under the Water and Waste Disposal Systems for Rural Communities Loan Program (CFDA 10-405). The district issued revenue bonds in the amount of \$317,000 in 1973 and \$646,300 in 1983. The bonds are due in combined annual installments of \$25,800 to \$45,080 through January 1, 2021, with an annual interest rate of 3 per cent.

The following is a summary of revenue bonds payable transactions for the year ended December 31, 1998:

Revenue bonds payable at January 1, 1998	\$781,000
Reductions	<u>(734,000)</u>
Revenue bonds payable at December 31, 1998	<u>\$47,000</u>

The annual requirements to amortize all bonds outstanding at December 31, 1998, including interest of \$397,758, are as follows:

Year	
1999	\$28,000
2000	37,000
2001	37,380
2002	38,050
2003	35,750
2004-2008	283,100
2009-2013	263,800
2014-2018	172,250
2019-2020	<u>70,000</u>
Total	<u>\$1,034,730</u>

**7. CONTRIBUTED CAPITAL**

The district received a federal grant totaling \$431,700, for the construction and acquisition of the water system. The amount of fixed assets constructed or acquired with grant funds is shown as contributed capital on the balance sheet. The contributed capital amount is reduced each year by the amount of depreciation expense recognized on fixed assets constructed or acquired with grant funds. At December 31, 1998, accumulated depreciation on fixed assets was \$167,256.

See accountant's compilation report.

## EAST COLUMBIA WATERWORKS DISTRICT

Columbia, Louisiana

Notes to the financial statements (Continued)

### 8. RESERVED RETAINED EARNINGS

The bond covenants with the United States Department of Agriculture, Farmers Home Administration for the long-term revenue bonds discussed in note 5 above, requires the district to establish the following reserve accounts:

- A. A "Waterworks Revenue Bond and Interest Sinking Fund". The district must transfer into this fund each month, one-twelfth of the principal and one-sixth of the interest due on the next principal and interest payment dates. Such transfers will be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.
- B. A "Waterworks Reserve Note Fund". The district must transfer into this fund each month an amount equal to 3 percent of the amount to be paid into the Waterworks Revenue Bond and Interest Sinking Fund each month until there will have been accumulated in the Reserve Fund an amount equal to the maximum principal and interest requirements in any one maturity year. The maximum is \$60,250. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Waterworks Revenue Bond and Interest Sinking Fund and so to which there would otherwise be default.
- C. A "Waterworks Depreciation Fund". The district must transfer \$242 into this fund each month. Money in this fund may be used for the making of extraordinary repairs or replacements to the system that are necessary to keep the system in operating condition and for which the money is not otherwise available. Money in this fund may be used to pay principal and interest on the bonds at any time there is not sufficient funds in the other bond funds.

At December 31, 1998, the district has set aside \$146,911 to meet the reserve requirements. Of this amount, \$25,880, is offset by the current portion of long-term debt, with the remaining \$121,031, reported as a reserve of retained earnings on Statement A.

### 9. LITIGATION AND CLAIMS

At December 31, 1998, the district is not involved in any litigation or aware of any claims, except for a 1988 lawsuit with North Central Utilities in which the district received an unfavorable judgment in the amount of \$15,000 plus all administrative fees and expenses incurred by the plaintiff plus all court

See accountant's compilation report.

## EAST COLUMBIA WATERWORKS DISTRICT

Columbia, Louisiana

### Notes to the financial statements (Continued)

costs. The district has recorded a liability of \$30,662 on the balance sheet for the judgment; however, it is the opinion of the district's legal counsel that the district does not have to pay the full amount of the judgment because the district's funds are public funds. During 1992, the district offered North Central Utilities \$5,000 as payment in full. As of December 31, 1998, North Central Utilities had not responded to the offer.

#### 18. YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data-processing systems and other equipment that may adversely affect the district's operations in the year 1999 and beyond. The district maintains its accounting records on a computer system. The district is aware of the Year 2000 issue and expects to have its computer systems compliant by the end of 1999. However, there is no assurance that the systems of other governmental agencies or companies on which the district relies will be timely corrected or that any such failure to correct by a governmental agency or other company would not have an adverse effect on the district's operations.

See accountant's compilation report.



**SUPPLEMENTAL INFORMATION SCHEDULES**

See accountant's compilation report.

**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana  
**SUPPLEMENTAL INFORMATION SCHEDULE**  
For the Year Ended December 31, 1998

**PER DIEM PAID COMMISSIONERS**

The schedule of per diem paid to commissioners is presented in compliance with House Concurrent Resolution No. 34 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 33:3819, the commissioners receive \$50 for each board meeting they attend.

**PRIOR YEAR FINDINGS**

The follow-up and corrective action taken on all prior year findings is presented in the summary schedule of prior year findings (Schedule 3).

**CURRENT YEAR FINDINGS**

The corrective action plan for current year findings is presented in Schedule 3.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

Schedule B

Schedule of Per Diem Paid Commissioners  
For the Year Ended December 31, 1998

Nail Long	\$500
B. L. McClary	500
W. H. Deizen	500
W. J. Perkins	NONE
A. B. Ryan	<u>500</u>
Total	<u>\$2,000</u>

See accountant's compilation report.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

Summary Schedule of Prior Year Findings  
For the Year Ended December 31, 1958

Reference Number	Fiscal Year Finding Initially Detected	Description of Finding	Corrective Action Taken
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There were no prior year findings.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

Corrective Action Plan  
For Current Year Findings  
For the Year Ended December 31, 1998

Reference Number	Description of Finding	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Procedure 9	The district did not post or advertise agendas or notices of meetings.	The district will publish notice of meetings in a weekly newspaper.	Marva L. Gregory, Secretary	April 1999

See accountant's compilation report.

**Independent Accountant's Report on Applying  
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the Louisiana Governmental Audit Guide and the Louisiana Attention Comptroller, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

*M. Carlton Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

160 DONALDSON ROAD • CALHOUN, LOUISIANA 70515 • TELEPHONE 337/654-0766

**Independent Accountant's Report  
On Applying Agreed-Upon Procedures**

**BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana**

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of East Columbia Waterworks District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about East Columbia Waterworks District's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying Louisiana Attention Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Public Bid Law**

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

A review was made of all disbursements for the year. There were no disbursements for materials and supplies exceeding \$15,000 nor disbursements for public works exceeding \$100,000, made during the year.

East Columbia Waterworks District  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
December 31, 1998

**Code of Ethics for Public Officials and Public Employees**

1. Obtain from management a list of the immediate family members of each board member as defined by LSA-HS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

There were no names on the employee listing that were also included on the listing of immediate family members.

**Budgeting**

5. Obtain a copy of the legally adopted budget and all amendments.

The district was not required to adopt a budget for the year ended December 31, 1998.

6. Trace the budget adoption and amendments to the minute book.

See results of procedures listed under question number 5.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by 5% or more.

See results of procedures listed under question number 5.

**Accounting and Reporting**

8. Randomly select 6 disbursements made during the period under examination and;



**East Columbia Waterworks District  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
December 31, 1988**

- (a) trace payments to supporting documentation as to correct amount and payee;
- (b) determine if payments were properly coded to the correct fund and general ledger account;
- (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

- (a) The six selected disbursements were supported by adequate documentation.
- (b) The six selected payments were properly coded to the correct fund and general ledger account.
- (c) The six selected payments received approval from the proper authorities.

**Meetings**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the opening meetings law).

The district did not post or advertise notices or agendas for meetings.

**Debt**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

**Advances and Bonuses**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the board meetings and an examination of payroll records indicated no payments which may constitute bonuses, advances, or gifts.

East Columbia Waterworks District  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
December 31, 1998

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of East Columbia Waterworks District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Calhoun, Louisiana  
March 12, 1999

### **Louisiana Attestation Questionnaire**

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*.

M. Carlos Dumas  
Certified Public Accountant  
369 Donaldson Rd.  
Caldwell, La 71225

Mrs. Dumas,

In connection with your compilation of our financial statements of the East Columbia Water District as of December 31, 1998 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on information available to us as of \_\_\_\_\_.

#### **PUBLIC BID LAW**

1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes [] No [ ] N/A [ ]

#### **CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. No employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1801-1(1)(2).

Yes [ ] No [] N/A [ ]

3. No member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980 under circumstances which would constitute a violation of LSA-RS 42:1119.

Yes [ ] No [] N/A [ ]

## BUDGETING

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes  No  N/A

## ACCOUNTING AND REPORTING

5. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:21, and 44:26.

Yes  No  N/A

6. We have filed our annual financial statements in accordance with LSA-RS 24:504, LSA-RS 55:463, and/or LSA-RS 39:92, as applicable.

Yes  No  N/A

7. We have had our financial statements audited or compiled in accordance with LSA-RS 24:515.

Yes  No  N/A

## MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes  No  N/A

## DEBT

9. We have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes  No  N/A

## ADVANCES AND BONUSES

10. We have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:134, and AGJ opinion 78-729.

Yes  No  N/A

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

*East Chaska, Minn. Dist.*

Name

Date

*Mrs. R. M. Gregory  
Sec.*