

OFFICIAL  
FILE COPY  
DO NOT SEND OUT

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

RECEIVED AUDITOR  
LEGISLATIVE  
96 JUL - 1 AM 10:29

CAMERON PARISH WATERWORKS  
DISTRICT NO. 9  
CAMERON PARISH POLICE JURY  
Grand Cheniere, Louisiana

COMPONENT UNIT FINANCIAL STATEMENTS  
For the year ended December 31, 1995

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 8-21-96

CAMERON PARISH WATERWORKS  
DISTRICT NO. 9  
CAMERON PARISH POLICE JURY  
Grand Cheniere, Louisiana

COMPONENT UNIT FINANCIAL STATEMENTS  
For the year ended December 31, 1995

CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF COMPONENT UNIT OR BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"	2 - 3
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF COMPONENT UNIT OR BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"	4 - 5
BALANCE SHEET - EXHIBIT A	6
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS - EXHIBIT B	7
STATEMENT OF CASH FLOWS - EXHIBIT C	8
NOTES TO FINANCIAL STATEMENTS	9 - 14
SUPPLEMENTARY INFORMATION	
Schedule 1 - Compensation of Board Members	16
Schedule 2 - Questioned Costs	17
Schedule 3 - Exit Conference	18

**ELLIOTT & ASSOCIATES, INC.**

*A Professional Accounting Corporation*

P. O. Box 1287

Leesville, Louisiana 71496-1287

(318) 239-2535

(318) 238-5135

Fax 239-2295

W. Micheal Elliott, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Cameron Parish Waterworks District No. 9  
Grand Cheniere, Louisiana:

I have audited the accompanying component unit financial statements of the Cameron Parish Waterworks District No. 9 as of and for the year ended December 31, 1995. These component unit financial statements are the responsibility of the Cameron Parish Waterworks District No. 9's management. My responsibility is to express an opinion on these component unit financial statements based on my audit.

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

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Cameron Parish Waterworks District No. 9 as of December 31, 1995, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

*Elliott & Assoc. "APAC"*  
Leesville, Louisiana  
June 24, 1996

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Leesville, Louisiana 71496-1287

(318) 239-2535

(318) 238-5135

Fax 239-2295

W. Micheal Elliott, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF COMPONENT UNIT  
OR BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
"GOVERNMENT AUDITING STANDARDS"

Board of Commissioners  
Cameron Parish Waterworks District No. 9  
Grand Cheniere, Louisiana:

I have audited the component unit financial statements of the Cameron Parish Waterworks District No. 9, as of and for the year ended December 31, 1995, and have issued my report thereon dated June 24, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the component unit financial statements of the Cameron Parish Waterworks District No. 9, for the year ended December 31, 1995, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the component unit financial statements and not to provide assurance on the internal control structure.

The management of the Cameron Parish Waterworks District No. 9 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 not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations 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 the

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, I have classified the significant internal control structure policies and procedures in the following categories:

Cash receipts	Payroll
Purchasing/receiving	Property and equipment
Accounts payable	General ledger
Cash disbursements	

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

I noted no matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unity financial statements.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Cameron Parish Waterworks District No. 9's management, the Cameron Parish Police Jury, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Elliott & Assoc. "APAC"*  
Leesville, Louisiana  
June 24, 1996

**ELLIOTT & ASSOCIATES, INC.**

*A Professional Accounting Corporation*

P. O. Box 1287

Leesville, Louisiana 71496-1287

(318) 239-2535  
(318) 238-5135  
Fax 239-2295

W. Micheal Elliott, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF COMPONENT UNIT OR BASIC  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
"GOVERNMENT AUDITING STANDARDS"

Board of Commissioners  
Cameron Parish Waterworks District No. 9  
Grand Cheniere, Louisiana:

I have audited the component unit financial statements of the Cameron Parish Waterworks District No. 9 as of and for the year ended December 31, 1995, and have issued my report thereon dated June 24, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Cameron Parish Waterworks District No. 9 is the responsibility of the Cameron Parish Waterworks District No. 9's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Cameron Parish Waterworks District No. 9's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests indicate that, with respect to the items tested, the Cameron Parish Waterworks District No. 9 complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Cameron Parish Waterworks District No. 9 had not complied, in all material respects, with those provisions.

My examination did, however, disclose one matter which is listed below:

Finding: The District did not adopt or publish a budget for the year ended December 31, 1995.

Cause: The District was not aware that a budget was required due to the fact that their gross revenues had never exceeded \$250,000 until this year and thus a budget was not adopted or published.

Effect: There was no effect upon the financial statements.

Mgmt. Response: The District will immediately adopt a 1996 budget and revise it as necessary in late 1996.

This report is intended for the information of the Cameron Parish Waterworks District No. 9's management, the Cameron Parish Police Jury, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Elliott & Assoc. "APAC"*  
Leesville, Louisiana  
June 24, 1996

LIABILITIES AND EQUITY

Current liabilities:	
Accounts payable	\$ 5,531
Customer deposits	631
Deferred revenue	7,462
Payroll related payables	3,199
Matured interest payable	5,408
Retirement deductions payable	<u>5,681</u>
Total current liabilities	<u>27,912</u>
Current liabilities payable from restricted assets:	
Retirement deductions payable	---
Accrued interest payable (Note 5)	950
General obligation bonds payable--current (Note 5)	<u>5,000</u>
Total current liabilities payable from restricted assets	<u>5,950</u>
Long-term liabilities:	
General obligation bonds payable (net of current portion)--(Note 5)	<u>30,000</u>
Total liabilities	<u>63,862</u>
Equity:	
Contributed capital (Note 6)	<u>1,736,065</u>
Retained earnings:	
Reserved for general obligation bond indentures	171,410
Unreserved	<u>2,097,375</u>
Total retained earnings	<u>2,268,785</u>
Total equity	<u>4,004,850</u>
Total liabilities and equity	<u>\$4,068,712</u>

CAMERON PARISH WATERWORKS  
DISTRICT NO. 9

## Statement of Income and Changes in Retained Earnings

For the year ended December 31, 1995

Operating revenues:	
Water sales	\$ 63,674
Installation service	<u>80</u>
Total operating revenues	<u>63,754</u>
Operating expenses:	
Salaries and related benefits	105,727
Operation of plant	83,610
Board member per diem	3,540
Depreciation (Note 4)	<u>118,674</u>
Total operating expenses	<u>311,551</u>
Operating loss	<u>(247,797)</u>
Nonoperating revenues (expenses):	
Ad valorem taxes and federal revenue sharing (Note 3)	126,359
Interest revenue	17,182
Interest expense (Note 5)	(3,919)
Deduction from ad valorem tax (Note 7)	(5,681)
Sale of asset	<u>2,550</u>
Total nonoperating revenues (expenses)	<u>136,491</u>
Net loss	(111,306)
Add depreciation on assets acquired through contributed capital (Note 6)	<u>49,897</u>
Decrease in retained earnings	(61,409)
Retained earnings, beginning	<u>2,330,194</u>
Retained earnings, ending	<u>\$2,268,785</u>

The accompanying notes are an integral part of this statement.

CAMERON PARISH WATERWORKS  
DISTRICT NO. 9

Statement of Cash Flows  
For the year ended December 31, 1995

<u>Operating activities</u>	
Net loss	\$ (111,306)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	118,674
Gain on sale of asset	(2,550)
(Increase) decrease in accounts receivable	2,706
(Increase) decrease in inventory	186
Increase (decrease) in accounts payable	4,630
Increase (decrease) in customer deposits	71
Increase (decrease) in deferred revenue	2,335
Increase (decrease) in retirement deductions payable	(10)
Increase (decrease) in payroll taxes payable	1,048
Increase (decrease) in current liabilities payable from restricted assets	<u>(370)</u>
Net cash provided by operating activities	<u>15,414</u>
<u>Investing activities</u>	
Purchase of equipment	(26,723)
Sale of equipment	<u>2,550</u>
Net cash used by investing activities	<u>(24,173)</u>
<u>Financing activities</u>	
Long-term debt current maturities	<u>(5,000)</u>
Net cash used by financing activities	<u>(5,000)</u>
Decrease in cash and cash equivalents	(13,759)
Cash and cash equivalents, beginning	<u>335,466</u>
Cash and cash equivalents, ending	<u>\$321,707</u>

The accompanying notes are an integral part of this statement.

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements

December 31, 1995

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cameron Parish Police Jury is a political subdivision of the State of Louisiana. The Cameron Parish Police Jury is the reporting entity for Cameron Parish as defined by NCGA Statement 3, (Defining the Governmental Reporting Entity).

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transaction of state and local governments. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local governments.

Cameron Parish Waterworks District No. 9 "District" is a component unit of the Cameron Parish Police Jury as defined by GASB codification Section 2100. The District was created by the Cameron Parish Police Jury as authorized by Louisiana Revised Statutes 33:3811-21. The District is governed by a board of 5 commissioners appointed by the Cameron Parish Police Jury, who are responsible for providing water service within the boundaries of the district.

A. FUND ACCOUNTING

Cameron Parish Waterworks District No. 9 is organized and operated on a fund basis as a Proprietary Fund Type-Enterprise Fund. In an enterprise fund the accrual basis of accounting is utilized and revenues are recognized when earned and expenses are recognized when incurred. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements (Continued)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

B. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

C. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits, with maturities of one year or less. Investments include amounts in treasury bills stated at cost. Under state law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana, or United States bonds, treasury bills and notes, or certificates.

D. RESTRICTED ASSETS

Certain proceeds of the Enterprise Fund revenue bonds as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The restricted assets include revenue bond reserve accounts and customer's meter deposits.

E. FIXED ASSETS AND LONG-TERM LIABILITIES

The fixed assets and long-term liabilities of the water district are accounted for on the balance sheet of the Enterprise Fund. The fixed assets of the district as shown on the balance sheet are recorded at historical cost. Depreciation is computed by the straight line method based on the estimated useful life of the individual assets.

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements (Continued)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

F. INVENTORY

Inventories are valued at cost. Inventories in the Enterprise Fund consist of expendable supplies held for use in repairs and extending water mains of the waterworks district. The cost is recorded as an expense at the time the item is purchased. At year end the physical inventory is adjusted to expenses and carried on the balance sheet as a current asset.

G. VACATION AND SICK LEAVE

The Cameron Parish Waterworks District No. 9 has the following policy related to vacation and sick leave:

Employees of the District accrue from 5 to 25 days annual leave each year depending on length of service. Upon resignation or retirement, unused annual leave is paid to the employee at the employee's current rate of pay. In addition, employees accrue from 12 to 18 days of sick leave each year depending on length of service. Upon resignation or retirement, unused sick leave is forfeited.

NOTE 2--CASH AND CASH EQUIVALENTS

At December 31, 1995, the carrying amount of the District's cash and cash equivalents was \$321,557 and the bank balance was \$324,855. Of the bank balance, \$106,169 was covered by Federal depository insurance, and \$218,686 was covered by collateral held in the District's name by the pledging banks' safekeeping agent.

NOTE 3--RECEIVABLES

Receivables at December 31, 1995 consist of the following:

Ad valorem taxes--unrestricted	\$171,727
Ad valorem taxes--restricted	---
Accounts	15,561
Federal revenue sharing - restricted	74
Federal revenue sharing - unrestricted	<u>1,679</u>
Net total receivables	<u>\$189,041</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements (Continued)

NOTE 4--CHANGES IN FIXED ASSETS

The following is a summary of changes in fixed assets as of December 31, 1995:

	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than buildings</u>	<u>Furniture, fixtures &amp; equipment</u>	<u>Total</u>
Balance, 12/31/94	\$20,000	\$508,478	\$4,034,327	\$161,995	\$4,724,800
Additions	---	---	12,352	14,371	26,723
Deletions	---	---	---	(8,724)	(8,724)
Balance, 12/31/95	20,000	508,478	4,046,679	167,642	4,742,799
Less: Accumulated depreciation	---	(115,194)	(949,294)	(127,476)	(1,191,964)
Net fixed assets 12/31/95	<u>\$20,000</u>	<u>\$393,284</u>	<u>\$3,097,385</u>	<u>\$ 40,166</u>	<u>\$3,550,835</u>

The following estimated useful lives are used to compute depreciation:

Buildings	45 years
Improvements other than buildings	45 years
Furniture, fixtures and equipment	3-11 years

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements (Continued)

NOTE 5--CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Cameron Parish Waterworks District No. 9 for the year ended December 31, 1995:

Bonds payable, Dec 31, 1994	\$ 40,000
Bonds retired: 1995	<u>( 5,000)</u>
Bonds payable, Dec. 31, 1995	35,000
Less: current portion	<u>(5,000)</u>
Long-term portion at Dec. 31, 1995	<u>\$ 30,000</u>

Bonds payable at December 31, 1995 are comprised of the following:

\$1,950,000 of general obligation bonds dated April 1, 1983; due in annual installments of \$5,000 - \$290,000 through 2003; interest at 8.25 - 9.50%	<u>\$ 35,000</u>
---	------------------

The annual requirements to amortize all general obligation bonds outstanding as of December 31, 1995, including interest payments of \$20,202 are as follows:

<u>Year Ending</u>	
1996	\$ 8,562
1997	8,088
1998	7,613
1999	7,138
2000	6,663
Thereafter	<u>17,138</u>
Total	<u>\$ 55,202</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Notes to the Financial Statements (Continued)

NOTE 6--CONTRIBUTED CAPITAL

Changes during the year ended December 31, 1995 in the contributed capital account are as follows:

Balance, 12/31/94	\$1,785,962
Depreciation of assets acquired by contributed capital	<u>(49,897)</u>
Balance, 12/31/95	<u>\$1,736,065</u>

NOTE 7--PENSION PLAN

Substantially all employees of the District are members of the Parochial Employees Retirement System. Aggregate pension costs totaled approximately \$5,681. The District does not guarantee any of the benefits granted by the retirement system.

NOTE 8--LITIGATION

The District was not involved in any litigation nor did it have asserted claims lodged against it.

SUPPLEMENTARY INFORMATION

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Compensation of Board Members

For the year ended December 31, 1995

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Legislature.

As provided by Louisiana Revised Statute 33:4564, the board members received \$60 per diem for attendance at meetings of the board in 1995.

	<u>1995</u>	
	<u>Number</u>	
	<u>Attended</u>	<u>Amount</u>
Curtis Nunez	12	\$ 720
Melvin Theriot	13	780
Wendell Rutherford	12	720
Jeanette Savoie	9	540
John A. Conner	13	<u>780</u>
Totals		<u>\$3,540</u>

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Questioned Costs

For the year ended December 31, 1995

During the year ended December 31, 1995, no questioned costs arose during the course of my fieldwork.

CAMERON PARISH WATERWORKS DISTRICT NO. 9

Exit Conference

For the year ended December 31, 1995

An exit conference was held with Bonnie Theriot, Head Bookkeeper on June 25, 1996 to discuss the proposed audit report.