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WEST VIRGINIA PARISH WATERWORKS DISTRICT
FINANCIAL STATEMENTS
December 31, 1998

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 Jan 30 1999

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ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Louisville, Louisiana 71496-1287

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Board of Commissioners
West Vernon Parish Waterworks District
Bossierville, Louisiana

I have audited the accompanying component unit financial statements of West Vernon Parish Waterworks District as of December 31, 1989, and for the year then ended. These component unit financial statements are the responsibility of West Vernon Parish Waterworks District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I 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. 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 West Vernon Parish Waterworks District as of December 31, 1989, and the results of its operations and changes in cash flow for the year then ended in conformity with generally accepted accounting principles.

Elliott & Assoc. "APAC"
Louisville, Louisiana
June 20, 1990

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W. Michael Hill, CPA

Board of Commissioners
West Vernon Parish Waterworks District
Bossierville, Louisiana

I have audited the component unit financial statements of West Vernon Parish Waterworks, as of and for the year ended December 31, 1996, and have issued my report thereon dated June 20, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 West Vernon Waterworks District, for the year ended December 31, 1996, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of West Vernon Waterworks 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 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 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.

My 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 reportable condition in which the design or operation of one or more of the specific 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. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the West Virginia Motorwork District management and the legislative auditor of the State of West Virginia. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Elliot & Assoc. "APAC"
Martinsburg, West Virginia
June 30, 1983

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Louisville, Louisiana 71406-1287

0470-244300
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W. Michael Stone, CPA

Board of Commissioners
West Vernon Parish Waterworks District
Louisville, Louisiana

I have audited the component unit financial statements of West Vernon Parish Waterworks District, as of and for the year ended November 30, 1986, and have issued my report thereon dated June 28, 1987.

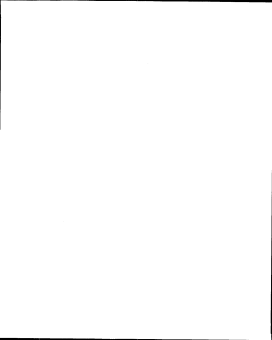
I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are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

Compliance with laws, regulations, contracts, and grants applicable to West Vernon Parish Waterworks District management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of West Vernon Parish Waterworks compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions.

The results of my tests indicate that, with respect to the items tested, West Vernon Parish Waterworks 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 West Vernon Waterworks District had not complied, in material respects, with those provisions.

This report is intended for the information of the West Vernon Waterworks management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Elliott & Assoc. "APAC"
Louisville, Louisiana
June 28, 1987



LIABILITIES AND EQUITY

Current liabilities:	
Ad valorem deductions payable	\$ 2,468
Accrued interest payable (Note 4)	... 8,218
Total current liabilities	...10,686
Current liabilities from restricted assets:	
Bonds payable (Note 4)	20,000
Customer deposits	... 27,369
Total current liabilities from restricted assets	... 47,369
Long-term liabilities:	
Bonds payable (Note 4)	... 470,000
Total liabilities	... 518,055
Equity:	
Retained earnings:	
Reserved	... 186,484
Unreserved	... 151,518
Total retained earnings	... 337,992
Total equity	... 337,992
Total liabilities and equity	... 856,047

Exhibit B

West Vernon Parish Waterworks District

Statement of Revenues, Expenses, and Changes in Retained Earnings:

For the year ended December 31, 1996

Operating revenues:	
Charges for sales and services:	
Water sales	\$ 1,000,000
Total operating revenues	1,000,000
Operating expenses:	
Office expense	999
Legal advertising	1,300
Membership dues	150
Travel	50
Insurance expense	200
Professional fees	2,075
Furniture contra-ad valorem deductions	2,068
Total operating expenses	7,958
Net income (loss) before nonoperating revenues (expenses)	12,042
Nonoperating revenues (expenses):	
Interest income	21,317
Interest expense (Note 4)	(20,000)
State revenue sharing	11,248
Ad valorem taxes-restricted (Notes 3 and 8)	49,343
Ad valorem taxes-unrestricted (Note 3)	15,549
Total nonoperating revenues (expenses)	67,367
Net income	79,409
Retained earnings, beginning balance	267,848
Retained earnings, ending	\$ 347,257

The accompanying notes are an integral part of this statement.

Exhibit C

West Vernon Parish Waterworks District

Statement of Cash Flows

For the year ended December 31, 1996

Operating activities	
Net income	\$ 59,754
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	—
Changes in operating assets and liabilities:	
(Increase) decrease in all valorem taxes receivable	8,932
(Increase) decrease in state revenue sharing receivable	569
(Increase) decrease in accrued interest receivable	644
Increase (decrease) in all valorem deductions payable	174
Increase (decrease) in accrued interest payable	504
Increase (decrease) in customer deposits	—26,394
Net cash provided by operating activities	—88,285
Investing activities	
Payments for construction-in-progress	—43,540
Net cash used by investing activities	—43,540
Financing activities	
Long-term debt paid	—(20,400)
Net cash used by financing activities	—(20,400)
Increase in cash & cash equivalents	74,439
Cash & cash equivalents, beginning of fiscal year	—438,114
Cash & cash equivalents, end of fiscal year	\$363,675

The accompanying notes are an integral part of this statement.

West Vernon Parish Waterworks District

Notes to the Financial Statements

December 31, 2006

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Vernon Parish Police Jury is a political subdivision of the State of Louisiana. The Vernon Parish Police Jury is the reporting entity for Vernon Parish as defined by NGA 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 transactions of state and local governments. In November of 1988, 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.

West Vernon Parish Waterworks District, "District," is a component unit of the Vernon Parish Police Jury as defined by GASB codification Section 2100. The District was created by the Vernon Parish Police Jury as authorized by Louisiana Revised Statutes 33:2811-21. The District is governed by a board of five commissioners appointed by the Vernon Parish Police Jury, who are responsible for providing water service within the boundaries of the district.

A. FUND ACCOUNTING

West Vernon Parish Waterworks District 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.

West Vernon Parish Waterworks District
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 basis applied.

C. BUDGETARY PRACTICE

Based upon the amount of revenues for the fiscal year ended December 31, 1998, the District was not required to adopt a budget.

D. BAD DEBTS

Uncollectible accounts due for ad valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

NOTE 2--CASH AND INVESTMENTS COLLATERAL

At December 31, 1998, the carrying amount of the District's cash and investments was \$709,339 and the bank balance was \$709,339. Of the bank balance, \$181,148 was covered by Federal Depository Insurance and \$528,191 was covered by securities held in safekeeping.

NOTE 3--AD VALOREM TAXES RECEIVABLE

The District utilized the Vernon Parish Sheriff's Office to collect its property taxes using the assessed values determined by the tax assessor of Vernon Parish.

For the year ended December 31, 1998, taxes of 8 mills and 24.88 mills were levied on property with assessed valuations

MOBILE WATERWORKS PARISH WATERWORKS DISTRICT
Notes to the Financial Statements (Continued)

NOTE 2--AD VALOREM TAXES RECEIVABLE (CONTINUED)

totaling \$1,655,050 and was dedicated toward operations and maintenance and the sinking fund respectively.

Total taxes levied were \$19,836 and the receivables at December 31, 1996 consisted entirely of the current year assessment.

NOTE 3--DEPRECIATION COSTS

Amortization of organization costs will be computed on the straight-line method over five years when the water system becomes functional and begins earning revenues.

NOTE 4--CONSTRUCTION-IN-PROGRESS

Construction-in-progress activity for the year ended December 31, 1996 was as follows:

Balance, December 31, 1995	\$ 50,958
Additions	3,840
Deletions	-----
Balance, December 31, 1996	<u>\$ 54,798</u>

The construction-in-progress will be capitalized and not depreciated until the water system becomes functional.

NOTE 5--CHANGES IN LONG-TERM DEBT

Bonds payable at December 31, 1996 is comprised of the following items:

Bonds payable, December 31, 1995	\$810,000
Bonds issued	-----
Bonds retired	(128,000)
Bonds payable, December 31, 1996	<u>\$682,000</u>

West Virginia Parish Waterworks District

Notes to the Financial Statements (Continued)

**NOTE 6--CHARGES IN LONG-TERM DEBT
(CONTINUED)**

\$525,000 of general obligation bonds dated June 1, 1983; due in annual installments of \$15,000-\$50,000 through 2012; interest at 4.00%-6.95%.

The annual requirements to amortize all revenue bonds outstanding as of December 31, 1986, including interest payments of \$197,176, are as follows:

1987	\$ 51,500
1988	49,800
1989	48,400
2000	47,300
2001	50,838
2002-2004	243,350
2007-2010	244,563
2012	51,825
Total	\$287,326

NOTE 7--LITIGATION

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

SUPPLEMENTARY INFORMATION

West Vernon Parish Waterworks District
Supplementary Information
For the year ended December 31, 1996

Schedule J

COMPENSATION OF BOARD MEMBERS

The Board of Commissioners of the West Vernon Parish Waterworks District served without compensation for the year ended December 31, 1996.

Schedule J

QUESTIONED COSTS

During the year ended December 31, 1996, I noted no questioned costs arising from my administration.

Schedule J

EXIT CONFERENCE

An exit conference was held with Mr. Melvin Wesskins, President, on June 20, 1997 to discuss the proposed audit report contents.