

CONCORDIA WATERWORKS DISTRICT #1
STATEMENT OF REVENUE AND EXPENSES
YEAR ENDED JUNE 30, 1997
(With comparative figures from June 30, 1996)

	Year ended June 30,	
	1997	1996
Operating Revenues		
Water sales	\$ 604,665	\$ 675,267
Penalties for late payment	25,327	25,687
Reconnect fees	15,505	14,435
Other income	12,275	17,413
Total operating revenue	\$ 717,762	\$ 732,802
Operating Expenses		
Salaries	\$ 127,823	\$ 132,272
Commissioners' fees	5,175	4,900
Payroll taxes	9,980	11,995
Repairs and maintenance	86,408	43,826
Truck expense	11,179	15,121
Operating supplies	71,056	74,899
Utility expense	85,237	58,364
Office expense	10,262	15,530
Insurance	32,744	37,143
Bad debts	7,810	12,379
Web site rent	1,150	1,150
Depreciation	63,262	59,075
Other operating expense	4,828	1,167
Total operating expense	\$ 606,389	\$ 457,451
Net income from operations	\$ 211,009	\$ 275,350
Other Revenue and (Expense)		
Interest income	\$ 29,058	\$ 24,021
Interest expense	(38,101)	(26,555)
Total other revenue (expenses)	\$ (8,043)	\$ (12,534)
Net income (Loss)	\$ 202,966	\$ 262,816

See accompanying notes to financial statements.

CONCORDIA WATERWORKS DISTRICT A1
STATEMENT OF CHANGES IN RETAINED EARNINGS
TWO YEARS ENDED JUNE 30, 1967

Retained Earnings, July 1, 1965	\$	300,129
Deduct:		
Increase in debt service and depreciation reserves		(11,864)
Add:		
Net Income		<u>200,050</u>
Retained Earnings, July 1, 1966	\$	638,319
Deduct:		
Increase in debt service and depreciation reserves		(13,394)
Add:		
Net Income		<u>302,623</u>
Retained Earnings, June 30, 1967	\$	<u>927,550</u>

See accompanying notes to financial statements.

**CONCORDIA WATERWORKS DISTRICT #1
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1997**

Cash flows from operating activities:			
Cash received from water sales	\$	750,112	
Interest income received		28,988	
Cash paid to suppliers and employees		(442,532)	
Interest expense paid		(28,874)	
Net cash provided by operating activities			\$ 207,694
Cash flows from financing activities:			
Principal paid on notes payable	\$	(20,847)	
Cash contributions from members		8,800	
Total cash used for financing activities			(24,047)
Cash flows from investing activities:			
Purchase of fixed assets			(208,290)
Net increase (decrease) in cash			\$ 44,236
Cash at beginning of year			868,620
Cash at end of year			\$ 912,856
Reconciliation of operating income to net cash provided by operating activities:			
Operating income			\$ 200,000
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	\$	80,000	
Changes in assets and liabilities:			
Decrease in accounts receivable	\$	5,371	
Decrease in interest receivable		1	
Increase in prepaid expenses		(2,181)	
Increase in accounts payable		218	
Decrease in taxes payable		(287)	
Increase in loan deposits		6,581	
Decrease in accrued interest payable		(200)	
		9,700	79,850
Net cash provided by other activities			\$ 217,576

See accompanying notes to financial statements.

CONCORDIA WATERWORKS DISTRICT #1
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - INTRODUCTION

The Concordia Waterworks District #1 is a part of a financial reporting entity of the Concordia Parish Police Jury. It was created by the Police Jury by Ordinance 393, dated May 16, 1998 to serve the rural areas of eastern Concordia Parish, under R.S. 25:3911. As such, it is accounted for as a component unit.

The Concordia Waterworks District #1 is governed by a Board of Commissioners who are appointed by the members of the Police Jury. The Board consists of five members each serving five year terms. They are compensated at the rate of \$75 per meeting.

The District serves approximately 2,500 consumers with a staff of six employees. They maintain 150 miles of water lines, supplying over 150,000,000 gallons of water annually from two wells.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation - The accompanying financial statements 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 establishing governmental accounting and financial reporting principles.

B. Reporting Entity - As the governing authority of the parish, for reporting purposes, the Concordia Parish Police Jury is the financial reporting entity for Concordia 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 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 Statement No. 14 established criteria for determining which component units should be considered part of the Concordia Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit with the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

This criteria includes:

1. Appointing a voting majority of an organization's governing body, 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 a voting majority of the Waterworks District's board and said board is fiscally dependent on the police jury, the district was determined to be a component unit of the Concordia 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 - The accounts of Concordia Waterworks District #1 are organized on the basis of a single proprietary fund type, the enterprise fund. Enterprise funds are used to account for operations in a manner similar to private business enterprises where the cost (expense, including depreciation) of providing water services to the general public on a continuing basis are financed through user charges.

D. Basis of Accounting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the balance sheet. Fund equity is segregated into contributed capital and retained earnings components.

The proprietary fund is accounted for using the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Bad debts are recognized when they become uncollectible.

E. Cash and Certificates of Deposit - Cash includes amounts in demand deposits. The District conducts all its banking transactions with two state-chartered institutions in Concordia Parish.

At June 30, 1997, the Concordia Waterworks District #1 had \$1,061,590 (banks' balance) on deposit at those financial institutions.

All cash and certificates of deposit are deposited in financial institutions insured by an agency of the United States Government. Additionally, there is \$1,210,000 in additional collateral held by the bank in the District's name as required.

F. Inventories - Inventories of materials and supplies are considered to be expenditures at the time of purchase. Amounts on hand at the financial statement date are immaterial and, therefore, are not included in the balance sheet.

G. Property, Plant and Equipment - Additions to the utility plant in service are recognized at cost, or if contributed property, at their estimated fair market value at the time of contribution. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation of fixed assets used by the Waterworks District is charged as an expense against their operations. Depreciation is calculated over the estimated useful life of the assets, using the straight line method as follows:

Buildings	20 years
Distribution system	50 years
Equipment	3-25 years

H. Reserves of Fund Equity - The Waterworks District records reserves to represent those portions of fund equity legally segregated for a specific future use. The following lists such reserves used by the Waterworks District:

Debt service & Depreciation reserve	\$ 165,103
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I. Income Taxes - Concordia Waterworks District #1 is a component unit of the Concordia Parish Police Jury, and, as such, is not subject to federal or state income taxes.

NOTE 3 - CASH AND CERTIFICATES OF DEPOSIT

At June 30, 1997, the Waterworks District has cash and certificates of deposit totaling \$1,701,656, as follows:

Demand deposits	\$ 835,335
Certificates of deposit	<u>175,833</u>
Cash on hand	<u>\$1,011,523</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent banks. At June 30, 1997, the Waterworks District had \$1,051,500 in collected bank balances. These deposits are secured from risk by \$400,000 of federal deposit insurance and \$1,210,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

NOTE 4 - RESTRICTED ASSETS

Certain assets were restricted for debt service and consumer deposits. These assets consisted of and are restricted to the following:

Bond debt service	\$ 65,563
Bond sinking fund	30,350
Bond depreciation fund	69,210
Consumer deposits	<u>75,235</u>
	<u>\$240,358</u>

NOTE 5 - ACCOUNTS RECEIVABLE

The following is an aged analysis of accounts receivable due on June 30, 1997:

Current	\$97,580
31-60 days	19,959
61-90 days	1,430
Over 90 days	<u>5</u>
	<u>\$97,925</u>

NOTE 6 - THEFT RECOVERY INCOME AND RECEIVABLES

In 1992, the Legislative Auditor of the State of Louisiana performed a specific procedure examination focusing on amounts misappropriated during 1987 to 1990 totaling \$19,425. An amount determined by the Seventh Judicial District Court has been repaid and no further payments are expected. A charge of \$9,525 was made to offset miscellaneous income for the difference between the amount determined by the Legislative Auditor and the amount set to be repaid by the Courts.

NOTE 7 - CHANGES IN FIXED ASSETS

A summary of the Waterworks District's property, plant and equipment and changes thereto follows:

	Balance June 30, 1996	Amounts Added	Deletions	Balance June 30, 1997
Land and right-of-way acquisitions	\$ 23,049	\$187,000		\$ 210,049
Distribution systems, wells, tanks and towers	2,445,487	4,897		2,450,384
Office building, furniture, fixtures and equip	273,889	78,493		352,382
	\$2,742,425	\$269,390		\$3,011,815
Less accumulated depreciation	1,318,183	89,358		1,407,541
	<u>\$1,424,242</u>	<u>\$180,032</u>		<u>\$1,604,274</u>

NOTE 8 - CHANGES IN LONG-TERM DEBT

The following is a summary of the notes payable for the year ended June 30, 1997

	Note 91-01	Note 91-03	Total
Notes payable at June 30, 1996	\$185,713	\$638,000	\$823,713
Less principal paid	<u>17,846</u>	<u>15,000</u>	<u>32,846</u>
Notes payable at June 30, 1997	<u>\$167,867</u>	<u>\$623,000</u>	<u>\$790,867</u>

Long-term debt at June 30, 1997 consists of

Notes Payable #90-01 - Water Revenue Bonds due to General Electric Capital Corporation issued October 12, 1997 due in annual installments of \$24,799 thru January 1, 2004 including interest at a rate of 3.75%. The water plant and distribution system are pledged as collateral for this loan.	\$167,867
Notes Payable #91-03 - Water Revenue Bond due to General Electric Capital Corporation issued March 31, 1990 in the original amount of \$745,000 at an interest rate of 5% due in annual installments of \$15,000 or more plus interest thru March 30, 2000. This loan is secured by a pledge of revenues from the sale of water by the District.	<u>623,000</u>
Total notes payable	<u>\$790,867</u>

The District's proprietary fund bonds are governed by bond indenture, the terms of which are summarized as follows:

- (1) **Waterworks Operations and Maintenance Fund**
Funds are to be transferred to this fund from the Waterworks Revenue Fund on the first day of each month in sufficient amounts to pay all operating expenses and to make a reasonable provision for the repair and maintenance of the system.
- (2) **Waterworks Note Reserve Funds (Debt Service and Sinking; Note #91-01)**
The minimum amount to be transferred to this fund each month from the Waterworks Revenue fund shall be not less than one-twelfth of the amount of principal and interest coming due on the next succeeding note payment date. An additional amount of \$100 per month is required to be transferred from the Waterworks Revenue Fund to the Note Reserve Fund until \$20,000 has been accumulated.
- (3) **Waterworks Note Reserve Funds (Debt Service and Sinking; Note #91-03)**
The minimum amount to be transferred to this fund each month from the Waterworks Revenue Fund shall be not less than one-twelfth the amount of principal and interest coming due on the next succeeding bond payment date. An additional amount of 5% of the required minimum monthly amount is to be transferred from the Waterworks Revenue Fund to the Note Reserve Fund until \$40,500 has been accumulated.
- (4) **Waterworks depreciation Fund**
An amount equal to \$160 per month for Note #90-01 plus \$164 per month for Note #91-03 is to be transferred to this fund on the first day of each month from the Waterworks Revenue Fund. Monies in this fund shall be used solely for the purpose of paying the cost for major repairs or damages caused by unforeseen catastrophe and for the replacements made necessary by the depreciation of the system.

The District is in compliance with all of these covenants.

The annual requirements to retire general long-term debt as of June 30, 1999 are as follows:

	Principal	Interest	Total
1999	\$ 33,693	\$ 37,216	\$ 70,909
1999	34,349	35,771	70,119
2000	34,970	34,299	69,269
2001	35,692	32,827	68,519
2002	41,495	31,273	72,769
Thereafter	<u>607,908</u>	<u>287,567</u>	<u>895,475</u>
	<u>\$745,697</u>	<u>\$430,073</u>	<u>\$1,245,740</u>

NOTE 9 - BAD DEBTS EXPENSE

The District uses the direct write-off method to account for bad debts.

NOTE 10 - EMPLOYEE BENEFITS

The District does not have a retirement plan other than those benefits provided by Social Security. The accrual of sick leave and vacation benefits are estimated to be of an immaterial amount.

NOTE 11 - LITIGATION

The District is involved in one lawsuit as June 30, 1997. A former employee has filed suit against the District alleging that he was unlawfully terminated from his employment with the District. The District's attorney and management intend to contest the case vigorously and are optimistic regarding its outcome. No potential loss has been estimated by them at this time.

SECTION II
REPORT ON INTERNAL CONTROL

JERI SUE TOSSPON

Certified Public Accountant

P. O. Box 440 — 1007 N. E. E. Leche Blvd.

Kenner, Louisiana 70064

CPA # 554994

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL,
STRUCTURE AND RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Board of Commissioners
Concordia Waterworks District #1

I have audited the component unit financial statements of Concordia Waterworks District #1, a component unit of the Concordia Parish Police Jury, State of Louisiana, for the year ended June 30, 1997, and have issued my report thereon dated August 7, 1997.

I have 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 required that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

The management of Concordia Waterworks District #1 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 component unit financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any 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 operations of policies and procedures may deteriorate.

In planning and performing my audit of the component unit financial statements of Concordia Waterworks District #1, for the year ended June 30, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, 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 in order to determine my auditing procedures for the purpose of expressing my opinion on the component unit financial statements and not to provide an opinion on

the internal control structure. Accordingly, I do not express such an opinion.

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 as follows. A material weakness is a reportable condition in which the design or 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 component unit 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 management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



Monroe, Louisiana
August 7, 1997

SECTION III
REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS

SECTION IV
SUPPLEMENTAL INFORMATION

CONCORDIA WATERWORKS DISTRICT #1
SCHEDULE OF COMMISSIONERS COMPENSATION
YEAR ENDED JUNE 30, 1997

Mr. Edgar W Jones, President	\$ 1,000
Mrs. Jean Fairbanks	1,000
Mrs. Helen Lyles	1,000
Mr. John Morgan	1,000
Mr. Wilson Palmer	<u>975</u>
	<u>\$5,175</u>

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CONCORDIA WATERWORKS DISTRICT #1
CONCORDIA PARISH POLICE JURY
Frenship, Louisiana

Component Unit: Financial Statements
and Auditor's Reports

June 30, 1987
and for the Year then Ended

(With comparative figures of June 30, 1986)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 SEP 10 1987

JERI SUE TOSSPOH
Certified Public Accountant

CONCORDIA WATERWORKS DISTRICT #1
CONCORDIA PARISH POLICE JURY
Ferryday, Louisiana

Component Unit Financial Statements
and Auditor's Reports

June 30, 1997
and for the Year then Ended

(With comparative figures at June 30, 1996)

CONCORDIA WATERWORKS DISTRICT #1
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SECTION I

COMPONENT UNIT FINANCIAL STATEMENTS

REPORT ON COMPONENT UNIT FINANCIAL STATEMENTS

JERI SUE TOSSPON

Certified Public Accountant
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Ferryday, Louisiana 71534-0445
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INDEPENDENT AUDITORS REPORT

The Board of Commissioners
Concordia Waterworks District #1
Ferryday, Louisiana

I have audited the accompanying component unit financial statements of the Concordia Waterworks District #1, a component unit of the Concordia Parish Police Jury, State of Louisiana, as of June 30, 1997 and for the year then ended. These financial statements are the responsibility of the 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 in the first paragraph present fairly, in all material respects, the financial position of Concordia Waterworks District #1, as of June 30, 1997, and the results of its operations and the cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Concordia Waterworks District #1. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in my opinion, is fairly presented in all material respects in relation to the component unit financial statements taken as a whole.



Ferryday, Louisiana
August 7, 1997

CONCORDIA POSTEMPORAL BENEVOLENT SOCIETY #1

BALANCE SHEET

JUNE 30, 1987

(With comparative figures from June 30, 1986)

ASSETS

	1987	1986
Current Assets		
Cash	\$ 750,488	\$ 707,317
Certificates of Deposit (Note 2)	40,000	40,000
Accounts receivable, net of sales (Note 3)	87,378	80,890
Accounts receivable, other (Note 4)	8,278	8,278
Accumulated depreciation	2,442	3,493
Prepaid expenses	3,428	3,380
Total current assets	\$ 888,314	\$ 843,358
Realizable Assets		
Blind Trust Service Fund		
- Contributions of Olmsted	\$ 65,583	\$ 62,718
Blind Sinking Fund		
- Contributions of Olmsted	20,282	20,419
Depreciation Fund		
- Cash	69,278	69,927
- Contributions Deposits	16,660	28,004
- Cash	20,173	25,532
- Contributions of Olmsted		
Total realizable assets	\$ 245,386	\$ 216,651

Property, Plant and Equipment (Note 1)

Furniture, fixtures and equipment	\$ 2,054,669	\$ 2,170,278
Less accumulated depreciation	1,184,844	1,179,180
Net property, plant and equipment	\$ 1,172,925	\$ 1,000,100

Other Assets

Gifts received	\$ 300	\$ 300
TOTAL ASSETS	\$ 2,675,472	\$ 2,686,311

LIABILITIES, RESERVES AND DEFERRED CONTRIBUTIONS

	1987	1986
Current liabilities (Payable from current assets)		
Accounts payable	\$ 34,000	\$ 34,875
Income tax payable	2,587	2,361
Payroll taxes payable	581	1,241
1987 current liabilities (payable from realizable assets)	\$ 37,168	\$ 37,682
Current liabilities (Payable from realizable assets)	\$ 63,281	\$ 76,411
Long-term liabilities		
Notes payable, current portion (Note 4)	20,883	22,642
Accumulated expenses	5,987	7,425
Total long-term liabilities (payable from realizable assets)	\$ 26,870	\$ 30,067
Long Term Liabilities		
Notes Payable (Note 4)	\$ 754,265	\$ 787,821
Total liabilities	\$ 814,956	\$ 843,579
Reserves		
1987 services and administration (Note 2)	\$ 66,456	\$ 71,122
Gifts received	68,150	62,852
Contributions		
Contributions from members	\$ 247,980	\$ 259,140
- Cash	28,732	28,732
Contributions from realizable assets	60,000	60,000
Contributions from membership	68,248	60,408
Total contributions	\$ 376,228	\$ 380,311
Reserves earnings	\$ 602,588	\$ 628,311
TOTAL LIABILITIES, RESERVES AND DEFERRED CONTRIBUTIONS	\$ 2,675,472	\$ 2,686,311

See accompanying notes to the financial statements.