

EASTERN FOREST SEWERAGE DISTRICT NO. 14
Monroe, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement D

Statement of Cash Flows
For the Year Ended December 31, 1996

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Income (Loss)	<u>(\$8,081)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	6,274
Decrease in accounts receivable	99
Increase in accounts payable	<u>2,584</u>
Total adjustments	<u>8,957</u>
Net cash provided by operating activities	876
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfer in	<u>4,313</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	<u>187</u>
NET INCREASE IN CASH	5,056
CASH AT BEGINNING OF YEAR	<u>30,271</u>
CASH AT END OF YEAR	<u>\$35,327</u>

See accountant's compilation report and accompanying notes.

EASTERN FOREST SEWERAGE DISTRICT NO. 14

Monroe, Louisiana

Notes to the financial statements (Continued)

Substantially all other revenues are recognized when received by the district.

Based on the above criteria, special assessments and accrued interest have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds which are not expected to be repaid are accounted for as operating transfers in and out and are recorded when the underlying events occur.

Enterprise Fund

The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

F. CASH

Cash includes amounts in interest-bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with banks organized under the laws of the State of Louisiana and the laws of any other state in the union, or the laws of the United States. At December 31, 1998, the district has cash demand deposits (bank balances) totaling \$17,818.

Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Cash (bank balances) at December 31, 1998, is fully secured by federal deposit insurance.

See accountant's compilation report.

EASTERN FOREST SEWERAGE DISTRICT NO. 54

Monroe, Louisiana

Notes to the financial statements (Continued)

the management and operation of the system. Additionally, the village paid to ODS, \$9,481 for the year ended December 31, 1996 for repairs and maintenance to the system.

See accountant's compilation report.

EASTERN FOREST SEWERAGE DISTRICT NO. 14
Monroe, Louisiana
Notes to the financial statements (Continued)

The certificate of indebtedness agreement provides that certificates maturing on or after November 1, 1993, may be called and redeemed prior to maturity at face value plus a four per cent call premium. During the year ended December 31, 1996, the district used special assessments which were paid before their due date to exercise its call option on the certificates of indebtedness. For the year ended December 31, 1996, the district called \$10,800 of the certificates and paid call premiums of \$432.

4. RESTATED FUND BALANCE

The Debt Service Fund fund balance at January 1, 1996, has been restated to include \$1,250 in special assessments that were earned but not collected at December 31, 1995.

5. CONTRIBUTED CAPITAL

On November 1, 1996, Eastern Forest Sewerage District No. 14 issued sewerage certificates in the amount of \$198,813 to finance a portion of the construction of a sewerage system in the district. In addition to the proceeds from the certificates of indebtedness, the district also used prepaid assessments, interest earnings on the proceeds and connection charges for sewerage customers not included in the assessments district to finance construction of the sewerage system. The total cost of the sewerage system financed by special assessments at December 31, 1996 is \$224,279. The cost of the sewerage system is included as contributed capital on the balance sheet of the enterprise fund and is reduced each year by the amount of depreciation expense recognized on the cost of the sewerage system financed by special assessments. At December 31, 1996, accumulated depreciation on these assets is \$31,548.

6. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 1996, nor is it aware of any unasserted claims. The district maintains insurance coverage to reduce the risk of loss due to property damage or liability claims.

7. MANAGEMENT AGREEMENT

On June 18, 1991, the district entered into an agreement with Utility Data Service Corporation (UDS) for operation and management of the sewerage system. The agreement provides a fee structure for various activities performed by UDS in the operation of the district's sewerage system. The agreement is for five years. For the year ended December 31, 1996, the district paid UDS \$3,628 for

See accountant's compilation report.

EASTERN FOREST SEWERAGE DISTRICT NO. 14

Monroe, Louisiana

Notes to the financial statements (Continued)

for collection and treatment facilities. Long-term debt (certificates of indebtedness) is recorded in the long-term debt account group. The certificates of indebtedness (sewerage certificates) are secured by a special assessment levy against property owners in the district. In accordance with the debt instrument, the certificates are secured and payable solely from the special assessments. The district agreed and committed itself in the debt instrument, to properly collect the special assessments, as provided by law, and retire the certificates.

E. BASIS OF ACCOUNTING

The financial and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Special assessments and accrued interest are generally recognized in the year they are due and payable by property owners in the district. Assessments and interest which are paid early by property owners are recognized as revenue in the year received. Special assessments which are not currently due are recognized as a non-current receivable on the balance sheet of the fund and are equally offset by a deferred revenue liability to indicate that while they will be received in the future, they are not available to pay expenditures of the current period.

Interest on demand deposits is recognized monthly when it has been earned and credited to the fund's account.

See accountant's compilation report.

EASTERN FOREST SEWERAGE DISTRICT NO. 14
 Monroe, Louisiana
 PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement C

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

OPERATING REVENUES	
Sewer fees	\$13,440
Other operating revenues	410
Total revenues	<u>13,850</u>
OPERATING EXPENSES	
Bank charges	11
Chemicals	122
Fees	946
Management expense	3,828
Postage	39
Professional fees	491
Publications	236
Repairs and maintenance	9,481
Utilities	1,516
Depreciation	6,254
Total operating expenses	<u>25,804</u>
OPERATING INCOME (Loss)	(11,954)
NON-OPERATING REVENUES	
Interest earned on deposits	287
OTHER FINANCING SOURCES	
Operating transfer in	<u>4,513</u>
NET INCOME (Loss)	(3,251)
Add depreciation on fixed assets financed by special assessments	<u>6,078</u>
INCREASE IN RETAINED EARNINGS	2,827
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>12,188</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$15,015</u>

See accountant's compilation report and accompanying notes.

EASTERN FOREST SEWERAGE DISTRICT NO. 14
 Monroe, Louisiana
 Notes to the Financial Statements (Continued)

G. VACATION, SICK LEAVE, AND PENSION PLAN

The district has no regular employees requiring the adoption of vacation and sick leave policies or participation in a pension plan.

H. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only (overviews) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. FIXED ASSETS

A summary of fixed assets at December 31, 1996, follows:

	Cost	Accumulated Depreciation	Net
Land	\$5,870	NONE	\$5,870
Fencing	8,783	(\$3,139)	6,644
Collection and treatment facilities	210,962	(28,875)	182,087
Total	<u>\$225,615</u>	<u>(\$32,014)</u>	<u>\$194,601</u>

3. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended December 31, 1996:

Sewerage certificates payable at January 1, 1996	\$54,139
Reductions	<u>(18,200)</u>
Sewerage certificates payable at December 31, 1996	<u>\$35,939</u>

See accountant's compilation report.

EASTERN FOREST SEWERAGE DISTRICT NO. 14
Monroe, Louisiana

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Eastern Forest Sewerage District No. 14 was created by the Ouachita Parish Police Jury, as authorized by Louisiana Revised Statute 33:5811 on May 8, 1989. The district is governed by a five-member board, appointed by the police jury, who serve without benefit of compensation. The district is responsible for maintaining and operating a sewerage collection and disposal system within the boundaries of the district.

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of Eastern Forest Sewerage District No. 14 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 Ouachita Parish Police Jury is the financial reporting entity for Ouachita 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 the 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 Ouachita Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

See accountant's compilation report.

EASTERN FOREST SEWERAGE DISTRICT NO. 14

Morans, Louisiana

Notes to the financial statements (Continued)

- 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 Iberville 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 district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses. An account group, on the other hand is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

See accountant's compilation report.

EASTERN FOREST SEWERAGE DISTRICT NO. 14

Monroe, Louisiana

Notes to the financial statements (Continued)

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of governmental and proprietary funds and are described as follows:

Governmental Funds:

Debt Service Fund

The debt service fund accounts for the collection of special assessments levied against property owners within the district and the repayment of certificates of indebtedness, the proceeds of which were used for construction of the sewer system.

Capital Projects Fund

The capital projects fund accounts for the proceeds of the certificates of indebtedness used to acquire and construct the sewer system.

Proprietary Fund Type - Enterprise Fund

The Enterprise Fund is used to account for operations of the district. The use of enterprise funds is appropriate when activities 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 to customers in the district on a continuing basis be financed or recovered primarily through user charges.

D. FIXED ASSETS AND LONG-TERM DEBT

Fixed assets of the district are included on the balance sheet of the Enterprise Fund and are recorded at actual cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is 15 years for building and 40 years

See accountant's compilation report.

EASTERN FOREST SEWERAGE DISTRICT NO. 14
Monroe, Louisiana
GOVERNMENTAL FUND TYPE -
DEBT SERVICE AND CAPITAL PROJECTS FUNDS

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 1996

	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES			
Special assessments	\$21,884		\$21,884
Use of money and property - interest earnings	388	587	485
Total revenues	<u>22,169</u>	<u>587</u>	<u>22,756</u>
EXPENDITURES			
Debt service:			
Principal	18,200		18,200
Interest and bank charges	7,001		7,001
Total expenditures	<u>25,201</u>	<u>NONE</u>	<u>25,201</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(3,032)	97	(2,935)
OTHER FINANCING USES			
Operating transfer out	<u>NONE</u>	<u>(4,513)</u>	<u>(4,513)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USES	(3,032)	(4,416)	(7,448)
FUND BALANCES AT BEGINNING OF YEAR, Restated	<u>6,820</u>	<u>4,416</u>	<u>11,236</u>
FUND BALANCES AT END OF YEAR	<u>\$3,788</u>	<u>NONE</u>	<u>\$3,788</u>

See accountant's compilation report and accompanying notes.

EASTERN FOREST SEWERAGE DISTRICT NO. 14
Mosses, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1996

	GOVERNMENTAL FUND TYPE - DEBT SERVICE FUNDS	PROPRIETARY FUND TYPE - ENTERPRISE FUNDS	ACCOUNT GROUP - GENERAL LONG- TERM DEBT	TOTAL MEMORANDUM (09/5)
ASSETS AND OTHER DEBITS				
Cash	\$1,071	\$16,147		\$17,218
Accounts receivable - sewer fees		1,267		1,267
Due from Enterprise Fund	564			564
Special assessments receivable:				
Current	1,563			1,563
Non-current	22,098			22,098
Property, plant and equipment (net of accumulated depreciation)		194,600		194,600
Amount available in debt service fund			3,798	3,798
Amount to be provided by retirement of special assessment debt			12,123	12,123
TOTAL ASSETS AND OTHER DEBITS	<u>\$29,898</u>	<u>\$212,015</u>	<u>\$19,919</u>	<u>\$255,832</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable		\$3,680		\$3,680
Due to Debt Service Fund		564		564
Deferred revenue	\$22,098			22,098
Special assessment debt with governmental commitment			\$15,919	15,919
Total Liabilities	<u>22,098</u>	<u>4,244</u>	<u>15,919</u>	<u>42,261</u>
Fund Equity:				
Contributed capital (net of accumulated depreciation on fixed assets financed by special assessments)		192,756		192,756

(Continued)

GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

508 Deshaussier Road • Calhoun, Louisiana 70225 • Telephone: 337-644-5775

Accountant's Compilation Report

BOARD OF SUPERVISORS
EASTERN FOREST SEWERAGE DISTRICT NO. 14
Monroe, Louisiana

I have compiled the general purpose financial statements, as listed in the table of contents, of the Eastern Forest Sewerage District No. 14 as of December 31, 1996, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services*, issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements 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.



Calhoun, Louisiana
March 17, 1997

EASTERN FOREST SEWERAGE DISTRICT NO. 14
Monroe, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
December 31, 1988

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EASTERN FOREST SEWERAGE DISTRICT NO. 14
Monroe, Louisiana
ANNUAL SWORN FINANCIAL STATEMENTS
AND CERTIFICATION OF REVENUES \$50,000 OR LESS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1996

A F F I D A V I T

Personally came and appeared before the undersigned authority, A. J. Walker, who, duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Eastern Forest Sewerage District No. 14, as of December 31, 1996, and the results of operations for the year then ended, in accordance with basis of accounting described within the accompanying financial statements.

In addition, A. J. Walker, who, duly sworn, deposes and says that the Eastern Forest Sewerage District No. 14 received \$50,000 or less in revenues and other sources for the fiscal year ending December 31, 1996, and, accordingly, is not required to have an audit for the previously mentioned fiscal year-end.


Eastern Forest Sewerage District No. 14

Sworn to and subscribed before me, this 17 day of March, 1997.


NOTARY PUBLIC

Agency: Eastern Forest Sewerage
District No. 14
Address: 508 Cosmic Lynn Dr.
Monroe, Louisiana 71203
Telephone: (504) 387-0040

RECEIVED
LEGISLATIVE ACTION
SECTION 40 2-03

TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

Office of the Legislative Auditor
Attention: Ms. Dorothy Milner
Post Office Box 94387
Baton Rouge, La. 70804-8387

OFFICIAL
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1-14-97

Dear Ms. Milner:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Eastern Forest Sewerage District No.14, as of and for the year ended December 31, 1996. The financial statements include all funds and accounts under the control and oversight responsibility of the Eastern Forest Sewerage District No. 14. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,



Eastern Forest Sewerage
District No. 14

Enclosures

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Release Date 4-2-97

EASTERN FOREST SEWERAGE DISTRICT NO. 34
 Monroe, Louisiana
 ALL FUND TYPES AND ACCOUNT GROUPS
 Combined Balance Sheet, December 31, 1986

	GOVERNMENTAL FUND TYPE - DEBT SERVICE FUND	PROPRIETARY FUND TYPE - ENTERPRISE FUND	ACCOUNT GROUP - GENERAL LONG- TERM DEBT	TOTAL MEMORANDUM ONLY
Fund Equity (Cont'd.):				
Retained earnings - unreserved - undesignated		\$15,015		\$15,015
Fund balance - reserved for debt service	\$3,768			3,768
Total Fund Equity	<u>3,768</u>	<u>\$20,771</u>	<u>NONE</u>	<u>\$24,539</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$25,886</u>	<u>\$212,015</u>	<u>\$15,919</u>	<u>\$253,820</u>

(Continued)

See accountant's compilation report and accompanying notes.