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**COLUMBIA HEIGHTS SEWERAGE  
DISTRICT NO. 1  
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, 1997**

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 JUN 17 1998

COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1  
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, 1997

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*M. Carlson Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

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**Accountant's Compilation Report**

**BOARD OF COMMISSIONERS**  
**COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1**  
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 Columbia Heights Sewerage District No. 1 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 May 29, 1998, on the results of my agreed-upon procedures.

  
M. Carlson Dumas  
Calhoun, Louisiana  
May 29, 1998

Receipt Acknowledged  
Legislative Auditor

By 

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

**COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1**  
Columbia, Louisiana  
**ALL FUND TYPES AND ACCOUNT GROUPS**

Combined Balance Sheet, December 31, 1997

	GOVERNMENTAL FUND TYPE - GAST SERVICE FUND	PROFESSORIAL FUND TYPE - SCHOOL FEES (1998)	ACCOUNT GROUP - GENERAL LONG TERM FUND	TOTAL BALANCE SHEET TOTALS
<b>ASSETS AND OTHER DEBITS</b>				
Current assets:				
Cash	\$46,171	\$21,966		\$68,137
Investments	39,625	13,549		53,174
Interest receivable	754	88		842
Accounts receivable - sewer service fees		9,547		9,547
Total current assets	<u>\$86,580</u>	<u>\$45,142</u>	<u>\$0,000</u>	<u>\$131,722</u>
Other assets		754		754
Restricted assets - cash		42,099		42,099
Property, plant and equipment (net of accumulated depreciation)		1,348,359		1,348,359
Amount available for debt service			188,086	188,086
Amount to be provided for retirement of general long-term debt			17,014	17,014
<b>TOTAL ASSETS AND     AND OTHER DEBITS</b>	<u>\$86,580</u>	<u>\$1,498,349</u>	<u>\$188,086</u>	<u>\$1,672,915</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Current liabilities (payable from current assets) - accounts payable				
	NONE	\$12,096	NONE	\$12,096
Current liabilities (payable from restricted assets):				
Accrued interest payable		4,599		4,599
Revenue bonds payable		8,387		8,387
Total current liabilities (payable from restricted assets)	<u>NONE</u>	<u>\$14,886</u>	<u>NONE</u>	<u>\$14,886</u>
Long term liabilities:				
General obligation bonds payable			\$184,880	\$184,880
Revenue bond payable		491,117		491,117
Total long-term liabilities	<u>NONE</u>	<u>\$491,117</u>	<u>\$184,880</u>	<u>\$675,994</u>
Total liabilities	<u>NONE</u>	<u>\$491,117</u>	<u>\$184,880</u>	<u>\$675,994</u>

(Continued)

See accompanying notes and accountants' compilation report.

## COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1

Columbia, Louisiana

## ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, etc.

	GOVERNMENTAL FUND TYPE - DEBT SERVICE FUND	PROPRIETARY FUND TYPE - ENTERPRISE FUND	ACCOUNT GROUP - GENERAL LONG TERM DEBT	TOTAL BALANCE SHEET (\$\$)
<b>Fund Equity:</b>				
Credited capital	NONE	\$1,402,896	NONE	\$1,402,896
Residual earnings:				
Reserved for reserved funds		47,120		47,120
Unreserved - undesignated (deficit)		(173,892)		(173,892)
Total unreserved earnings (deficit)	NONE	(127,662)	NONE	(127,662)
Fund balance - reserved for debt service	\$8,086	NONE	NONE	\$8,086
Total Fund Equity	\$8,086	1,099,234	NONE	1,099,234
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$8,086</b>	<b>\$1,498,349</b>	<b>\$184,000</b>	<b>\$1,699,135</b>

(Continued)

See accompanying notes and accountant's compilation report.

COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1  
Columbia, Louisiana  
GOVERNMENTAL FUND TYPE - DEBT SERVICE FUND

Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
For the Year Ended December 31, 1997

<b>REVENUES</b>	
Ad valorem taxes	\$13,324
Use of money and property - interest earnings	2,990
Total revenues	<u>16,314</u>
<b>EXPENDITURES</b>	
Debt service:	
Principal	2,000
Interest	5,300
Total expenditures	<u>7,300</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	9,014
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>77,982</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>86,996</u>

See accompanying notes and accountant's compilation report.



**COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1**  
**Columbia, Louisiana**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**

**Statement of Revenues, Expenses, and**  
**Changes in Retained Earnings**  
**For the Year Ended December 31, 1997**

<b>OPERATING REVENUES</b>	
Sewer service fees	\$108,137
Tap fees	2,975
Other operating income	78
Total revenues	<u>111,190</u>
<b>OPERATING EXPENSES</b>	
Office expense	2,713
Commissions fees	2,400
Repairs and maintenance	21,895
Utilities and telephone	13,038
Accounting and audit	3,155
Collection expense	1,800
Laboratory tests	1,550
Salaries and related benefits	23,774
Engineering/consulting	1,123
Truck expense	1,676
Depreciation	56,908
Other operating expenses	10,140
Total operating expenses	<u>140,680</u>
<b>OPERATING INCOME (Loss)</b>	<u>(29,490)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest earned on deposits	3,231
Ad valorem taxes	13,496
State revenue sharing	2,036
Interest expense	<u>(12,961)</u>
Total non-operating revenues (expenses)	<u>5,799</u>
<b>NET INCOME (Loss)</b>	<u>(23,691)</u>
<b>RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR</b>	<u>1,368,915</u>
<b>RETAINED EARNINGS (Deficit) AT END OF YEAR</b>	<u>\$1,345,224</u>

See accompanying notes and accountant's compilation report.

COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1  
Columbia, Louisiana  
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement D

Statement of Cash Flows  
For the Year Ended December 31, 1997

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating Income (Loss)	<u>(333,488)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by Operating Activities:	
Depreciation	56,909
Increase in accounts receivable	(986)
Increase in interest receivable	(13)
Increase in accounts payable	11,862
Total adjustments	<u>67,772</u>
Net cash provided by operating activities	<u>34,284</u>
<b>CASH FLOWS FROM CAPITAL</b>	
<b>FINANCING ACTIVITIES</b>	
Principal and interest on revenue bonds	(32,684)
Purchase of equipment	(3,123)
Net cash used by capital financing activities	<u>(35,807)</u>
<b>CASH FLOWS FROM NONCAPITAL</b>	
<b>FINANCING ACTIVITIES</b>	
Ad valorem tax receipts	13,436
State revenue sharing receipts	2,016
Net cash provided by noncapital financing activities	<u>15,452</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earnings on bank deposits (excluding investments)	<u>1,522</u>
<b>NET INCREASE IN CASH</b>	13,909
<b>CASH AT BEGINNING OF YEAR</b>	<u>68,758</u>
<b>CASH AT END OF YEAR</b>	<u>82,667</u>

See accountant's compilation report and accompanying notes.

**COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1**  
**Columbia, Louisiana**

*Notes to the Financial Statements*  
**As of and for the Year Ended December 31, 1993**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Columbia Heights Sewerage District No. 1 was created by the Caldwell Parish Police Jury as authorized by Louisiana Revised Statute 53:3881. The district is governed by a four member board appointed by the police jury. As provided by Louisiana Revised Statute 53:3887, the Columbia Heights Sewerage District No. 1 commissioners receive \$60 per meeting attended. The district is responsible for maintaining and operating a sewerage collection and disposal system within the boundaries of the district. The district serves approximately 328 customers and has two employees.

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Columbia Heights Sewerage District No. 1 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 criterion 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:

See accountant's compilation report.

**COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1**

Columbia, Louisiana

Notes to the financial statements (Continued)

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 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 Caldevel 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 operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. 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.

See accountant's compilation report.

**COLUMBIA PARISH'S SEWERAGE DISTRICT NO. 1**

Columbia, 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. The fund classifications and a description of each existing fund type follows:

**Governmental Funds**

Governmental funds are used to account for all or most of the district's general activities, including the collection and disbursement of legally restricted monies and the servicing of general long-term debt. Governmental funds of the district include:

**Debt Service Fund**

The debt service fund accounts for the collection of all valuations tax revenue levied to pay principal and interest on general obligation bonds issued for the purpose of constructing the sewerage system.

**Proprietary Funds**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

**Enterprise Fund**

The enterprise fund is used to account for operations of the district, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services to customers in the district on a continuing basis be financed or recovered primarily through user charges.

See accountant's compilation report.

**COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1**

Columbia, Louisiana

Notes to the financial statements (Continued)

**BA. BASIS OF ACCOUNTING**

The accounting and financial 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 the debt service governmental fund type. The district uses the following practices in recording revenues and expenditures of the debt service fund:

**Revenues**

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1999 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

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

Interest on time deposits is recognized when it has been earned.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

The Enterprise Fund is accounted for on a flow of economic resources

See accountant's compilation report.

**COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1**

Columbia, Louisiana

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

measurement basis and a determination of net income and capital maintenance. With this measurement basis, all assets and liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Sewer service fees and tap fees are recognized in the period the service is provided to the customer. Salaries and other expenses are recognized when incurred.

**E. RESTRICTED ASSETS**

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

**F. CASH**

Cash includes amounts in demand deposits and 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.

**G. INVESTMENTS**

Investments are limited by Louisiana Revised Statute (R.S.) 35:2035. 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, 1997, the district's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost. The bank balances of the deposits are fully secured from risk by federal deposit insurance.

**H. FIXED ASSETS**

Fixed assets of the district are included on the balance sheet of the enterprise fund and are recorded at actual cost. Fixed assets reported on the balance sheet are net of accumulated depreciation. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over

See accountant's compilation report.

**COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1**

Columbia, Louisiana

Notes to the financial statements (Continued)

estimated useful lives of 40 years for the sewerage system, 10 to 10.5 years for buildings, and 5 to 10 years for equipment.

**I. LONG-TERM OBLIGATIONS**

General obligation bonds financed from governmental funds by ad valorem taxes assessed against property owners in the district are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Revenue bonds financed from Enterprise Fund operations are accounted for in the Enterprise Fund.

**J. CONTRIBUTED CAPITAL**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired from such resources.

**K. TOTAL COLUMN ON THE  
COMBINED BALANCE SHEET**

The total column on the combined balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis (overview). Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable in a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**2. CASH**

At December 31, 1997, the district has cash (book balances) totaling \$130,636 as follows:

Demand deposits:	
Non-interest bearing	\$21,968
Interest-bearing	<u>108,670</u>
Total	<u>\$130,636</u>

See accountant's compilation report.



**COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1**

Columbia, Louisiana

Notes to the financial statements (Continued)

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. Cash (bank balances) at December 31, 1997, are \$131,913, and are fully secured from risk by federal deposit insurance.

**3. LEVIED TAXES**

For the year ended December 31, 1997, taxes of 8.25 mills were levied on property with assessed valuations totaling approximately \$3,557,065 and were dedicated as follows:

General obligation bonds debt service	4.00
Maintenance and operation	<u>4.25</u>
Total	<u>8.25</u>

**4. FIXED ASSETS**

A summary of fixed assets at December 31, 1997, follows:

Land	\$25,917
Buildings	25,355
Sewerage system	2,009,494
Equipment	<u>42,734</u>
	2,132,690
Less accumulated depreciation	<u>(743,695)</u>
Property, plant and equipment, net	<u>\$1,388,995</u>

**5. LONG-TERM DEBT**

The following is a summary of long-term debt transactions for the year ended December 31, 1997:

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Total</u>
Long-term obligations at January 1, 1997	\$196,000	\$490,677	\$686,677

See accountant's compilation report.

COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1  
 Columbia, Louisiana  
 Notes to the financial statements (Continued)

	General Obligation Bonds	Revenue Bonds	Total
Retirements	<u>(52,000)</u>	<u>(302,212)</u>	<u>(354,212)</u>
Long-term obligations at December 31, 1997	<u>\$104,000</u>	<u>\$470,462</u>	<u>\$574,462</u>

Bonds payable outstanding at December 31, 1997 are comprised of the following individual issues:

	General Obligation Bonds	Revenue Bonds	Total
\$104,000 1979 General Obligation Bonds due in annual installments of \$2,080 to \$7,080 through July 11, 2019; interest at 5.00 percent.	\$104,000		\$104,000
\$220,000 1979 Sewer Revenue Bonds due in annual installments of \$6,000 to \$18,000 through July 11, 2019; interest at 5.00 percent.		\$220,000	220,000
\$129,800 1980 Sewer Revenue Bonds due in annual installments of \$13,871 through May 11, 2013; interest at 5.25 percent.		<u>129,462</u>	<u>129,462</u>
Total	<u>\$104,000</u>	<u>\$470,462</u>	<u>\$574,462</u>

The annual requirement to amortize all debt outstanding at December 31, 1997, including interest of \$508,824, is as follows:

Year	
1998	\$40,584
1999	41,134
2000	40,634
2001	40,134

See accountant's compilation report.

COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1  
Columbia, Louisiana  
Notes to the financial statements (Continued)

<u>Year</u>	
2002	\$48,634
2003-2007	204,270
2008-2012	202,350
2013-2017	203,870
2018-2022	134,270
2023-2027	68,420
2028-2033	68,420
2033	<u>4,396</u>
<b>Total</b>	<b><u>\$1,083,286</u></b>

**6. RESERVED RETAINED EARNINGS**

The bond covenant for the 1979 sewer revenue bonds discussed in note 5 above, requires the district to establish the following reserve accounts:

- A. A "Sewer Reserve Fund". The district must transfer into this fund each month an amount equal to 5 percent of the monthly sinking fund payment until a total of \$18,990 is accumulated. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient monthly sinking fund payments have not been made.
- B. A "Sewer and Depreciation Contingency Fund". The district must transfer \$100 into this fund each month. Money in this fund may be used for the purpose of paying the cost of extraordinary repairs or replacements which are necessary to keep the system in operating condition and for which money is not available in the maintenance and operation fund. Money in this fund may also be used to pay principal and interest on the bonds at any time there is not sufficient funds in the other bond funds.

The bond covenant for the 1993 sewer revenue bonds discussed in note 3 above, requires the district to establish the following reserve accounts:

- A. A "Sinking Fund". The district must transfer into this fund each month, one-twelfth of the principal and interest falling due on the next payment date. 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.

See accountant's compilation report.

COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1  
Columbia, Louisiana  
Notes to the financial statements (Continued)

- B. A "Reserve Fund". The district must transfer into this fund \$58 each month until a total of \$13,871 has been accumulated. 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 Sinking Fund and as to which there would otherwise be default.
- C. A "Contingency Fund". The district must transfer into this fund \$15 each month. Money in this fund may be used for the purpose of paying the cost of extraordinary repairs or replacements which are necessary to keep the system in operating condition and for which money is not available in the maintenance and operation fund. Money in this fund may also 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, 1997, the district has not made \$62,099 to meet the reserve requirements. Of that amount, \$34,866, is offset by accrued interest payable and the current portion of long-term debt, with the remaining \$27,233, reported as a reserve of retained earnings on Statement A.

## 7. LITIGATION AND CLAIMS

The district was aware of one unasserted claim at December 31, 1997. Any potential liability to the district would be fully covered by insurance; therefore, no provision for any liability resulting from the claim is recorded in the accompanying financial statements. The district maintains insurance coverage to reduce the risk of loss resulting from property damage or liability claims.

**SUPPLEMENTAL INFORMATION SCHEDULES**

COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1  
Columbia, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and For the Year Ended December 31, 1997

**COMPENSATION PAID BOARD OF COMMISSIONERS**

The schedule of per diem paid commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The commissioners receive \$60 per meeting attended.

**PRIOR AUDIT FINDINGS**

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 2).

**CURRENT YEAR FINDINGS**

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

## Schedule I

COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1  
Columbia, LouisianaSchedule of Per Diem Paid Commissioners  
For the Year Ended December 31, 1997

Misty Adams	\$640
Jackie Barrett	640
Tommy Blazo	640
Edith Hixson	640
Total	<u>\$2,560</u>

See accountant's compilation report.

COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1  
Columbia, Louisiana

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 1997

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Additional Explanation</u>
N/A	1996	Audit report was not submitted to Legislative Auditor within six months of the close of the fiscal year	Yes	None
N/A	1996	Inadequate segregation of accounting duties	No	Not economically feasible to correct

See accountant's compilation report.



COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1  
Columbia, Louisiana

Corrective Action Plan  
For Current Year Findings  
For the Year Ended December 31, 1997

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
Procedure 4	A member of the board of commissioners was paid as a contract laborer.	The individual resigned from the board of commissioners.	Janine Adams, Secretary	June 1998
	An employee's spouse was paid as a contract laborer.	The district will consult with its attorney on this matter.	Janine Adams, Secretary	June 30, 1998

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 Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

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CERTIFIED PUBLIC ACCOUNTANT

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

**BOARD OF COMMISSIONERS  
COLUMBIA HEIGHTS SEWERAGE DISTRICT NO. 1  
Columbia, Louisiana**

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the managers of the Columbia Heights Sewerage District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Columbia Heights Sewerage District No. 1's compliance with certain laws and regulations during the year ended December 31, 1997, included in the accompanying Louisiana Statute Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these 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 \$5,000, or public works exceeding \$50,000, 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 \$5,000 nor disbursements for public works exceeding \$50,000, made during the year.

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

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1001-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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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.

One of the employees included on the list of employees provided by management in agreed-upon procedure (3) was also included on the listing obtained from management in agreed-upon procedure (2) as an immediate family member. However, the employee was hired by the district prior to 1980.

A member of the board of commissioners was paid \$750 during the year as a contract laborer. An employee's spouse was paid \$200 during the year as a contract laborer.

#### **Budgeting**

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

The district is not legally required to adopt a budget and no budget was adopted.

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

See procedure #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 procedure #5.

#### **Accounting and Reporting**

8. Randomly select 5 disbursements made during the period under examination and,

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- (a) trace payments to supporting documentation as to correct amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that the payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account;

The six selected payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated 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 posts a notice of meetings at the location where the meeting is held.

#### Debit

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.

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The prior year audit report, dated June 30, 1997, included findings related to the timely submission of audit reports and inadequate segregation of accounting duties. The accompanying schedule of prior year audit findings provides details on the actions taken by management with regards to those findings.

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 the Columbia Heights Sewerage District No. 1 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.



Catfours, Louisiana  
May 29, 1998