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ST. TAMMANY PARISH COURSE  
LECTURE NO. 1  
Covington, Louisiana

STANDARD HOLDING AND ACCOUNTANTS REPORT

December 31, 1960 and 1961

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, entity and other appropriate public officials. The report is available for public inspection at the District House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 08 1982

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# Angela J. Harker, CPA

A Professional Accounting Corporation

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To the Management of  
St. Tammany Parish Sewerage District No. 1  
Lulington, Louisiana

I have compiled the accompanying balance sheets of St. Tammany Parish Sewerage District No. 1 as of December 31, 1997 and 1998, and the related statements of revenues, expenses, and retained earnings and cash flows for the two years then ended as listed in the foregoing table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited in 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.



Angela J. Harker  
Certified Public Accountant

June 24, 1998

## ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

## BALANCE SHEETS

DECEMBER 31, 1997 AND 1998

ASSETS	1997	1998
Current Assets		
Cash and cash equivalents (Note 3)	\$448,197	\$484,912
Revenues Receivable - Charges for services	7,288	8,743
Receivables - Other (Note 3)	983	2,748
Account interest	1,887	1,472
	<hr/>	<hr/>
Total Current Assets	458,355	497,875
Property, plant and equipment (net of accumulated depreciation) (Note 4)	314,982	321,789
	<hr/>	<hr/>
TOTAL ASSETS	\$773,337	\$819,664
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LIABILITIES AND FUND EQUITY		
Current Liabilities	\$0	\$0
Fund Equity - retained earnings - unreserved	773,337	819,664
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TOTAL LIABILITIES AND FUND EQUITY	\$773,337	\$819,664
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## ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

YEARS ENDED DECEMBER 31, 1997 AND 1998

	1997	1998
OPERATING REVENUES		
Charges for services	\$82,791	\$80,140
OPERATING EXPENSES		
Bad debts	-	-
Bank charges	180	188
Personel services	3,325	3,534
Other supplies and expenses	460	488
Insurance	1,870	1,791
Utilities	10,886	9,221
Professional services	1,380	474
Depreciation	24,139	22,938
Taxes	1,184	268
Postage	782	518
Miscellaneous	188	78
Repairs & Maintenance	27,131	34,802
Total operating expenses	71,264	71,405
OPERATING INCOME	11,527	8,735
NON OPERATING REVENUES		
Interest Income	16,458	13,213
NET INCOME	32,855	21,948
RETAINED EARNINGS AT BEGINNING OF YEAR	737,734	704,877
RETAINED EARNINGS AT END OF YEAR	\$770,589	\$726,825

## ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

## STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
Cash flows from operating activities:		
Cash received from rates fees	\$87,366	\$99,614
Cash payments for operating expenses	(45,525)	(48,000)
Net cash provided by operating activities	41,841	41,580
Cash flows from capital and related financing activities - acquisition and construction of capital assets	(18,823)	(6,237)
Cash flows from investing activities - receipt of interest	18,203	14,644
Net increase (decrease) in cash and cash equivalents	41,180	49,133
Cash and cash equivalents at beginning of year	404,872	390,849
Cash and cash equivalents at end of year	\$446,052	\$439,973
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$46,587	\$18,348
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	24,138	22,800
(Decrease)(increase) in accounts receivable	(885)	(1,478)
(Decrease)(increase) in receivables-other	1,708	652
Net cash provided by operating activities	\$41,841	\$41,580

ST. TAMMANY PARISH SEWERAGE DISTRICT

DISTRICT NO. 1

Louisiana, Louisiana

NOTES TO FINANCIAL STATEMENTS

INTRODUCTION

The St. Tammany Parish Sewerage District No. 1 was created by the St. Tammany Parish Police Jury, as provided by Louisiana Revised Statute (LSA-R.S.) 33:2881. The sewerage district is governed by a five-member board of commissioners appointed by the police jury. The board of commissioners receive no compensation for their services and the sewerage district has no full-time employees. The sewerage district is responsible for maintaining and operating the sewerage system within the boundaries of the sewerage district.

The sewerage district has one sewer treatment plant capable of handling 240,000 gallons of raw sewerage each day. The district covers approximately 600 acres and serves approximately 400 customers. The district has accomplished its mission by charging a point service charge for ranging from \$140 to its customers in a recent fee of \$250 instead of having a two village to support operations. This plant was designed and built to take care of 400 people anticipated to live in Country Club Estates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of St. Tammany Parish 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 establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

Section 2408 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB) Codification established criteria for determining the government reporting entity. Because the district is solely accountable for fiscal matters, which include (1) responsibility for funding (levies and operating deficiencies), (2) fiscal management for controlling the collection and disbursement of funds, and (3) because of the scope of public services provided by the district, the district includes all funds, activities, programs, that are within the oversight responsibility of the district. Certain units of local government over which the district exercises no oversight responsibility, such as the parish police jury, the parish school board, independently chartered parish of schools, and municipalities, within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the district.

## 50. SUMMARY PARALLEL FINANCIAL STATEMENTS NO. 1

Notes to the Financial Statements, continued

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### C. FUND ACCOUNTING

The district uses a fund structure for funds to report on its financial position and the results of its operations and cash flows. 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 separate accounting entity with a self-balancing set of accounts. The Enterprise Fund is a unique line activity similar to those found in the private sector where the interest of the governing body is that the cost (expenses, including depreciation and asset losses) of providing services, via a continuing basis, be financed or recovered primarily through user charges.

### D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its management focus. The Enterprise Fund is accounted for on a basis of economic resource measurement focus. With this measurement focus, all assets and liabilities associated with the operations of this fund are included on the balance sheet. The accrual basis of accounting is used by the Enterprise Fund. Under this method, revenues are recorded when earned, and expenses are recorded as the liabilities are incurred.

#### 1. CASH AND CASH EQUIVALENTS

Cash includes amounts in interest-bearing demand deposits and certificates of deposit. Under state law, the coverage district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks as defined under Louisiana law and national banks having their principal offices in Louisiana.

#### 1. FUND ASSETS

Fund assets of the district are included on the balance sheet of the fund. Depreciation of all depreciable fund assets are charged as an expense against operations. Accumulated depreciation and amortization are reported on the balance sheet. Depreciation is computed using the straight line method over the estimated useful lives of 40 years.

#### G. LONG-TERM OBLIGATIONS

The coverage district has no long-term obligations as of December 31, 1997 and 1996.

#### H. VACATION AND SICK LEAVE ACCUMULATED PLAN

The district has no full-time employees, therefore, it does not have a formal vacation and sick leave policy and does not contribute to a pension plan or provide any post-retirement benefits.



51. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

Notes to the Financial Statements, continued

2. CASH AND CASH EQUIVALENTS

At December 31, 1997 and 1996, respectively, the district has cash (bank balances) totaling \$ 188,955 and \$26,000 in interest-bearing demand deposit accounts and \$157,088 and \$215,899 in certificates of deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance to the extent of accounts owned by the fiscal agent bank.

The district uses a common bank/currency in conjunction with the St. Tammany Parish Water Utility No. 1 and the St. Tammany Parish Sewerage District No. 1 of which the district are a common checking account in the name of St. Tammany Parish Water Utility No. 1. The St. Tammany Parish Sewerage District No. 1 bank balance as of December 31, 1997 and 1996, respectively of \$26,000 and \$15,517 does from the St. Tammany Parish Water District No. 1.

3. RECEIVABLES - OTHER

There were other amounts receivable as of December 31, 1997 and 1996 of \$980 and \$1,296, respectively. These receivables represent a credit balance with the first Citizens, Inc. for water utility cylinders.

4. FINANCIAL DEFERRED ASSETS

A summary of changes in fixed assets and related depreciation follows:

Balance at December 31, 1995	Land \$780	Improvements \$604,811	Total \$605,591
Additions - 1996	0-	8,277	8,277
Balance at January 1, 1997	780	613,088	613,868
Additions - 1997	0-	16,923	16,923
Less - Accumulated Depreciation	n/a	(714,594)	(714,594)
Balance at December 31, 1997	\$780	\$645,417	\$646,197

5. LIABILITIES

The sewerage district has no capital or operating leases at December 31, 1997 and 1996.

6. CONTINGENCIES

The sewerage district is not involved in any litigation at December 31, 1997.

# Angela J. Harker, CPA

A Professional Accounting Corporation

## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Management of  
St. Tammany Sewerage District No. 1  
Covington, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide, and enumerated below, which were agreed to by the Management of St. Tammany Sewerage District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about St. Tammany Sewerage District No. 1's compliance with certain laws and regulations during the periods ending December 31, 1997 and 1998 included in the accompanying Louisiana Assertion 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 material 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).

No such expenditures was made during the two years for materials and supplies exceeding \$5,000, and no such expenditure was made for public works exceeding \$50,000.

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

3. Obtain from management a list of the immediate family members of each board member as defined by I.S.A.-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with a written document stating none of the immediate family of any of the board members ever have accepted anything of value in violation of I.S.A.-RS 42:1101-1124, nor have they been employed by the district in violation of I.S.A.-RS 42:1101-1124.

3. Obtain from management a listing of all employees paid during the period under examination.

Mrs. Mary Jane VanSickle is a part-time bookkeeper employed by the Sewerage District No. 3 and part of her cost is charged to the Sewerage District No. 1. There are no full-time employees of the Sewerage District No. 1.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (1) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Management has stated in a written document to me that Mrs. Mary Jane VanSickle, an employee of Sewerage District No. 3, is not an immediate family member of any board member.

### **Budgeting**

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

Management provided me with a copy of the original budget. There were no amendments to the budget during the year.

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

The budget was adopted according to the minutes and no amendments were made to the budget according to the minutes during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues and expenditures exceed budgeted amounts by more than 5%.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the years did not exceed budgeted amounts by more than 5%.

#### **Accounting and Reporting**

8. Randomly select 12 disbursements made during the period under examination and:

a.) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the twelve disbursements and found that 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; and

I examined the twelve selected disbursements and found they were properly coded to the correct general ledger account.

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

I examined the twelve selected disbursements and found all disbursements examined were properly approved.

#### **Meetings**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or submitted as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Sewerage District No. 1 properly posted agendas for meetings as required by LSA-RS 42:1.

### **Debit**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks, loans, bonds, or like indebtedness.

I inspected copies of all bank 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.

There were no employees of the Sewerage District No. 1 for the period under examination.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of any 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 St. Tammany 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.



Stephen J. Parker  
Certified Public Accountant

June 28, 1998

**LOUISIANA ATTESTATION QUESTIONNAIRE**

June 24, 1998 Date

Angela J. Parker, CPA, RPACP. O. Box 395Monroeville, LA 70470

(Auditor)

In connection with your compilation of our financial statements as of December 31, 1997 and 98 and for the period then ended, and as required by Louisiana Revised Statute 24:519 and the Louisiana Governmental Audit Code, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 28, 1998 (date)

**Public Bid Law**

It is true that we have complied with the public bid law, USA-RC Title 38:2010, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [] No []**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of USA-RC 42:1191-1194.

Yes [] No []

It is true that no member of the immediate family of any members of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1996, under circumstances that would constitute a violation of USA-RC 42:1195.

Yes [] No []**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (USA-RC 39:1301-14) or the budget requirements of USA-RC 38:403.

Yes [] No []**Accounting and Reporting**

All non-rental governmental records are available as a public record and have been retained for at least three years, as required by USA-RC 44:1, 44 T, 44:53, and 44:56.

Yes [] No []

We have filed our annual financial statements in accordance with USA-RC 28:804, 28:402, and/or 38:50, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes  No

#### Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:13.

Yes  No

#### Debt

If in two we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, we have not entered into any lease purchase agreements, without the approval of the State Board of Commissioners, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1874 Louisiana Constitution, and LSA-RS 41:1415(5).

Yes  No

#### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:136, and AG opinion 79-129.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any connections to the foregoing representatives. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	Date
	Treasurer	6/29/02 Date
_____	President	Date

Non-Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. To quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.