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**LAKE ST. JOHN MARINE DISTRICT  
CONCORDIA MARINE POLICE JURY**

**Component Unit Financial Statements  
and Independent Auditor Reports  
As of and for the Year Ended  
December 31, 1995**

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

Release Date \_\_\_\_\_

LAKE ST. JOHN WATERWORKS DISTRICT  
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# SWITZER, HOPKINS & MANGE

Certified Public Accountants

1000 N. BRUNNEN, SUITE  
1000 DALLAS, TEXAS 75201  
PHONE: 754-1100  
FACSIMILE: 754-1100

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## INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Members of Board of Directors  
Lake St. John Waterworks District  
Concordia Parish Police Jury  
Ferriday, Louisiana

We have audited the accompanying component unit financial statements of the Lake St. John Waterworks District, a component unit of the Concordia Parish Police Jury, as of December 31, 1998, and for the year then ended, as listed in the foregoing table of contents. These financial statements are the responsibility of management of the Lake St. John Waterworks District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Lake St. John Waterworks District as of December 31, 1998 and the results of that fund's operations and the statement of cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 4, 1998 on our consideration of Lake St. John Waterworks District internal control structure and a report dated June 4, 1998 on its compliance with laws and regulations.

Ferriday, Louisiana  
June 4, 1998

*Switzer, Hopkins & Mange*

LAKE ST. JOHN WATERWORKS DISTRICT

CONCORDIA PARISH POLICE JURY  
BALANCE SHEET  
DECEMBER 31, 1993

<u>ASSETS</u>	<u>1993</u>	<u>(Memorandum Only) 1994</u>
<b>Current assets:</b>		
Cash	\$ 185,349	\$ 185,349
Accounts receivable - customer utilities	21,500	0,000
Accrued interest on investments	1,840	180
Inventory - supplies, on hand	4,399	8,188
Prepaid expenses	1,240	1,388
<b>Total current assets</b>	<u>214,328</u>	<u>195,105</u>
<b>Restricted assets:</b>		
Water deposits (Note C)	<u>30,845</u>	<u>30,380</u>
<b>Plant and equipment (Note B):</b>		
Plant and equipment, at cost, net of accumulated depreciation (\$795,487, \$812, 194 \$281,432)	<u>171,435</u>	<u>158,817</u>
<b>Total assets</b>	<u>416,608</u>	<u>384,502</u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Liabilities:</b>		
<b>Current liabilities (payable from current assets):</b>		
Accounts payable	<u>-</u>	<u>200</u>
<b>Current liabilities (payable from restricted assets):</b>		
Customer deposits (Note C)	<u>30,845</u>	<u>30,380</u>
<b>Fund equity:</b>		
Contributed capital	17,075	14,760
Retained earnings	<u>363,688</u>	<u>357,462</u>
<b>Total fund equity</b>	<u>380,763</u>	<u>372,222</u>
<b>Total liabilities and fund equity</b>	<u>416,608</u>	<u>384,502</u>

The accompanying notes are an integral part of this statement.

LAKE ST. JOHN MANAGERIAL DISTRICT  
 CONCORDIA POLICE POLICE JURY  
 BUDGETARY FUND - UTILITY FUND  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 FOR THE YEAR ENDED DECEMBER 31, 1998

	1998	(Memorandum Only) 1998
<b>Operating Revenues:</b>		
Water sales	\$ 182,827	\$ 98,500
Installation and service charges	2,204	2,488
Penalties	1,243	1,209
Other revenue	228	218
<b>Total operating revenues</b>	<u>186,502</u>	<u>102,415</u>
<b>Operating Expenses:</b>		
Salaries	28,474	28,781
Depreciation	12,458	12,213
Auto expense	8,293	8,024
Utilities	2,828	4,244
Repairs	7,288	44,278
Office supplies	4,008	1,600
Insurance	2,844	5,248
Materials	2,180	2,288
Cost of merchandise sold	2,844	1,117
Taxes	7,142	8,278
Fer dim	-	75
Accounting	1,488	1,488
Miscellaneous	368	618
Bad debts	118	368
<b>Total operating expenses</b>	<u>81,828</u>	<u>121,828</u>
<b>Operating income (loss)</b>	<u>104,674</u>	<u>(19,413)</u>
<b>Nonoperating revenues</b>		
Interest income	<u>4,888</u>	<u>1,148</u>
<b>Net income (loss)</b>	<u>109,562</u>	<u>(18,265)</u>
<b>Retained earnings, beginning</b>	<u>312,982</u>	<u>382,482</u>
<b>Retained earnings, ending</b>	<u>\$ 422,544</u>	<u>\$ 364,217</u>

The accompanying notes are an integral part of this statement.

LAWY BY JOHN WATSON'S BUDGET  
 CONCORDIA POLICE JOHN  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDING DECEMBER 31, 1992

	1992	(Memorandum Only) 1991
Cash flows from operating activities:		
Cash received from customers	\$ 184,944	4 500,326
Cash payments to suppliers for goods and services	(49,887)	(80,828)
Cash payments to employees for services	(128,874)	(28,752)
Net cash provided (used) by operating activities	<u>36,183</u>	<u>(7,254)</u>
Cash flows from non-capital financing activities:		
Increase in memberships	328	500
Increase in customer deposits	488	228
Net cash provided by non-capital financing activities	<u>816</u>	<u>728</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(18,128)	(1882)
Cash flows from investing activities:		
Investment income	(3,321)	(3,263)
Net increase (decrease) in cash and cash equivalents	14,550	(4,870)
Cash and cash equivalents at January 1, 1992	<u>145,994</u>	<u>172,561</u>
	<u>\$ 160,544</u>	<u>4 367,691</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 35,344	\$ (21,840)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	12,460	13,218
Changes in assets and liabilities:		
(Increase) in accounts receivable	(2,389)	(480)
Increase in inventories	889	(78)
(Increase) decrease in other assets	82	(800)
Increase (decrease) in accounts payable	(222)	222
	<u>\$ 36,183</u>	<u>\$ (7,254)</u>

The accompanying notes are an integral part of this statement.

LAKE ST. JOHN WATERWORKS DISTRICT  
CONCORDIA PARISH POLICE JURY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1995

INTRODUCTION

The Lake St. John Waterworks District was created by ordinance of the Concordia Parish Police Jury, as provided by Louisiana Revised Statutes 13:4203-4204. The water district is governed by a board of five commissioners who are qualified voters and residents of the district. The five commissioners are jointly referred to as the board of commissioners and are appointed by the Concordia Parish Police Jury. The commissioners serve terms of five years, which expire on a rotating basis. The water district was created for the purpose of owning and operating water processing and distribution facilities in the district.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

The accompanying financial statements of the Lake St. John Waterworks District 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.

2. REPORTING ENTITY

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the police jury appoints the governing board and has the ability to significantly influence operations, the district was determined to be a component unit of the Concordia Parish Police Jury, the governing body of the parish and the governmental body with oversight responsibility. 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 reporting entity.

LAKE ST. JOHN WATERWORKS DISTRICT  
COMMODITY BOARD POLICE JURY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1995

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3. FUND ACCOUNTING

PROPRIETARY FUNDS -

Enterprise fund

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheet.

Depreciation of all depreciable fixed assets used by the proprietary fund is charged as an expense against their operations. All fixed assets are stated at historical cost. Depreciation has been provided over the estimated useful lives using the straight line method as follows:

Plant and water lines	10 years
Office equipment	3-10 years
Water well	10 years

4. INVENTORYING

Inventory consists of \$4,798 and are recorded as an expense when consumed. Inventory of supplies is valued at cost.

5. BAD DEBTS

Bad debts are uncollectible amounts of customer utility receivables.

6. DATE OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the



**LAKE ST. JOHN WATERWORKS DISTRICT  
CONCORDIA PARISH POLICE JURY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1993**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED**

Financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement issue applied.

The proprietary fund is accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

**NOTE B - UTILITY PLANT AND EQUIPMENT**

A summary of plant and equipment at December 31, 1993 is as follows:

	1993
Land	\$ 3,030
Plant equipment	384,425
Office furniture and fixtures	19,149
Water well	22,182
Total	<u>428,786</u>
Less accumulated depreciation	(272,881)
Net	<u>\$ 155,905</u>

**NOTE C - RESTRICTED ASSETS**

Certain cash accounts are restricted for customer deposits. The amounts restricted were \$10,848 and \$10,380 for 1993 and 1992 respectively.

**NOTE D - RETIREMENT COMMITMENTS**

The Lake St. John Waterworks District employees are all members of the social security system and are members of no other retirement plan. The expense of the social security is reflected in taxes account in the statement of revenues and expenses.

**NOTE E - CASH AND INVESTMENTS**

At year end, the carrying amount of the company's deposits (checking and savings accounts) was \$280,184.

Insured by Federal Depository Insurance	\$ 150,200
Uninsured by Federal Depository Insurance	4,984
	<u>\$ 280,184</u>

LAKE ST. JOHN WATERWORKS DISTRICT  
CONCORDIA FIRE POLICE UNIT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1992

NOTE F - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

The company does not accrue unpaid vacation pay on its financial statements and does not allow the carryover of unused vacation pay from one year to the next. The company has no policy for accrued vacation pay for terminated employees.

SUPPLEMENTAL INFORMATION

LAKE ST. JOHN WATERWORKS DISTRICT  
SCHEDULE OF PAY RISES PAID  
FOR THE YEAR ENDED DECEMBER 31, 1995

<u>NAME</u>	<u>AMOUNT</u>
Randy Miller	\$ -
Paul Nettles	-
Betty King	-
Norman Hayes	-
Gertrude Barber	-
Total	<u>\$ -</u>

OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS

The following pages contain reports on internal control structure and compliance with laws and regulations required by government auditing standards, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is likewise based solely on the audit of the presented financial statements and processes, where applicable, compliance matters that would be material to the presented financial statements.

# SWITZER, HOPKINS & MANGE

Certified Public Accountants

MEMPHIS OFFICE  
100 SOUTH MAIN STREET  
SUITE 1000  
MEMPHIS, TENNESSEE 38102

PHONE 901-525-1100

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED WITH GOVERNMENT AUDITING STANDARDS

Members of the Board of Directors  
Lake St. John Waterworks  
Farriday, Louisiana

We have audited the component unit financial statements of Lake St. John Waterworks District, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 4, 1999.

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

The management of Lake St. John Waterworks District 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 management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Lake St. John Waterworks district for the year ended December 31, 1998, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we

Members of the Board of Directors  
Lake St. John Waterworks  
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assess control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

We noted a lack of segregation of duties caused by the number of employees of the District. We recommended improvement in this area when the District hires additional employees.

A material weakness is a reportable condition in which the design or operation of one or more of 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned function.

Our 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 above. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information and use of management of the district. However, this report is a matter of public record and its distribution is not limited.

Terrebonne, Louisiana  
June 4, 1996

*Sanchez, Anthony & Mays*

SWITZER, HOPKINS & MANGE  
Certified Public Accountants

MEMPHIS OFFICE: 704  
N. MAIN STREET, 10th  
FLOOR, MEMPHIS, TENN.  
MEMPHIS 2, TENN. 382

MEMPHIS OFFICE: 704 N. MAIN

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Members of the Board of Directors  
Lake St. John Waterworks  
Ferriday, Louisiana

We have audited the component unit financial statements of the Lake St. John Waterworks, as of and for the year ended December 31, 1986, and have issued our report thereon dated June 4, 1986.

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

Compliance with laws, regulations, contracts, and grants applicable to Lake St. John Waterworks District is the responsibility of Lake St. John Waterworks District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Lake St. John Waterworks District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, Lake St. John Waterworks District complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Lake St. John Waterworks had not complied, in all material respects, with those provisions.

This report is intended for the information and use of management of the district. However, this report is a matter of public record and its distribution is not limited.



Members of the Board of Directors  
Lake St. John Waterworks  
Page two

The results of our tests disclosed no instances of noncompliance that  
are required to be reported under Government Auditing Standards.

Ferriday, Louisiana  
June 4, 1998

*Anthony Stephen P. Ange*