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Kolin-Ruby Wise Waterworks District
No. 11A of Rapides Parish, Louisiana
LA Component Unit of the Rapides Parish Police Jury

Financial Statements
December 31, 1996

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 Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: AWW 8-6-97

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Clay I. Knight, Jr., CPA

June 23, 1997

K. Martin Masden, CPA

Accountants' Compilation Report

Board of Commissioners
Kolin-Stuby Wino Waterworks District No. 11A
of Rapides Parish, Louisiana
1A Component Unit of the Rapides Parish
Police Jury
Pineville, LA 71360

We have compiled the accompanying balance sheet of Kolin-Stuby Wino Waterworks District No. 11A of Rapides Parish, Louisiana, (A Component Unit of the Rapides Parish Police Jury) as of December 31, 1996, and the related statements of revenues, expenses and changes in retained earnings and cash flows for the year then ended and accompanying supplemental data, in accordance with 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 supplemental data information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplemental data and, accordingly, do not express an opinion or any other form of assurance on them.

Knight - Masden
KNIGHT & MASDEN

POLYMERISE WIDE WATERWAYS DISTRICT NO. 11A
OF RAPIDES PARISH, LOUISIANA
(A Component Unit of the Rapides Parish Police Jury)
Balance Sheet
December 31, 1996

ASSETS

Current Assets			
Cash and cash equivalents		\$ 217,615	
Restructuring (net of allowance for doubtful accounts)		49,283	
Prepaid expenses		5,186	
Inventory		<u>30,000</u>	
Total Current Assets			\$ 302,184
Restricted assets			
Cash and cash equivalents		6,383	
Certificates of deposit		<u>129,000</u>	
Total Restricted Assets			135,383
Fixed Assets (net of accumulated depreciation)			1,780,398
Other Assets			<u>12,921</u>
Total Assets			<u>\$ 2,230,970</u>

LIABILITIES AND FUND EQUITY

Current Liabilities			
Accounts payable		\$ 9,832	
Sales tax payable		729	
Retirement payable		2,906	
Interest payable		<u>1,545</u>	
Total Current Liabilities			\$ 15,012
Liabilities payable from restricted assets			71,383
Revenue bonds payable			<u>30,000</u>
Total Liabilities			116,495
Fund Equity			
Contributed capital		418,831	
Retained earnings			
Reserved for debt service	\$ 41,375		
Unreserved	1,280,558	1,321,933	
Total Fund Equity			<u>1,710,564</u>
Total Liabilities and Fund Equity			<u>\$ 2,230,970</u>

See accompanying notes and accountants' report.

KOLIN BURY WISE WATERWORKS DISTRICT NO. 11A
 OF RAPIDES PARISH, LOUISIANA
 (A Component Unit of the Rapides Parish Police Jury)
 Statement of Revenues, Expenses and
 Changes in Retained Earnings
 For the year Ended December 31, 1990

Operating Revenues		
Water sales and tap fees	\$ 214,989	
Late charges and connection fees	15,800	
Total Operating Revenues		\$ 230,789
Operating Expenses		
Billing costs	564	
Bud. defcn.	1,408	
Chemicals	21,818	
Depreciation	44,392	
Vehicle expense	3,384	
Insurance	80,350	
For-allow - board members	4,088	
Repairs and maintenance	30,201	
Salaries	89,308	
Other	1,713	
Supplies	35,109	
Telephone	3,389	
Utilities	14,723	
Collection expense	3,327	
Postage and freight	1,686	
Professional fees	6,189	
Other fees	1,029	
Retirement expense	3,126	
Office supplies	2,030	
Payroll taxes	3,784	
Total Operating Expenses		381,828
Operating Loss		(81,118)
Nonoperating Revenues (Expenses)		
Ad valorem taxes	24,137	
Interest income	18,984	
Interest expense	(4,850)	
Gains on sale of assets	1,227	
Total Nonoperating Revenues (Expenses)		39,598
Net Loss		(41,520)
Retained earnings, beginning of year		1,325,625
Retained earnings, end of year		<u>\$1,284,105</u>

See accompanying notes and accountants' report.

KOLIN RUBY WISE WATERWORKS DISTRICT NO. 11A
 OF LAFFAYETTE PARISH, LOUISIANA
 (A Component Unit of the Rapides Parish Police Jury)
 Statement of Cash Flows
 For the Year Ended December 31, 1998

Cash Flows from Operating Activities		
Operating income (loss)		\$ (62,119)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	\$ 44,900	
Increase in receivables	(4,634)	
Decrease in prepaid expenses	2,871	
Decrease in inventories	4,915	
Increase in other assets	(5,422)	
Increase in customer deposits	1,215	
Decrease in accounts and miscellaneous payables	(249)	
Decrease in interest payable	(752)	
		40,728
Net Cash Used by Operating Activities		(21,391)
Cash Flows from Noncapital Financing Activities		
Tax receipts collected by other governmental agency		24,157
Cash Flows from Capital and Related Financing Activities		
Cash payments for purchase of capital assets	(23,609)	
Principal payments on long term debt	(30,000)	
Interest expense	(5,900)	
Gains on sale of asset	1,287	
Net Cash Used by Capital and Related Financing Activities		(57,832)
Cash Flows from Investing Activities		
Interest income		16,958
Net Increase in Cash and Equivalents		(21,571)
Cash and cash equivalents at beginning of year		301,549
Cash and cash equivalents at end of year		<u>\$ 279,978</u>

See accompanying notes and accountants' report.

KOLLEMBURY WIRE WATERWORKS DISTRICT NO. 11A
OF RAPIDES PARISH, LOUISIANA
(A Component Unit of the Rapides Parish Police Jury)
Notes to the Financial Statements
December 31, 1996

Note 1 - Summary of Significant Accounting Policies

The *Kollembury Wire Waterworks District No. 11A* of Rapides Parish, Louisiana (the *Waterworks District*) was created by the Rapides Parish Police Jury, as authorized by Louisiana Revised Statute 33:3811. The *Waterworks District* is governed by a five-member board of commissioners who are residents of and own real estate in the *Waterworks District*. The board members are compensated for meetings attended. The board is appointed by the jury and is responsible for providing water service to approximately 1,000 acres within the boundaries of the *Waterworks District*. The *Waterworks District* employs 4 full-time employees and 1 part-time employee.

The following is a summary of significant accounting policies.

A. Basis of Presentation

The accompanying financial statements of the *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.

B. Financial 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. For financial reporting purposes, in conformance with GASB Codification Section 2100, the *Waterworks District* includes all funds that are within the oversight responsibility of the *Waterworks District*. The *Waterworks District* is a component unit of the Rapides Parish Police Jury. Certain units of local government over which the *Waterworks District* exercises no oversight responsibility, such as the parish police jury, parish school board, other independently-elected officials, 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 *Waterworks District*.

C. Fund Accounting

The *Waterworks District* uses a proprietary - enterprise fund to report on its financial position and results of 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 proprietary - enterprise fund is 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. Goods or services from such activities are provided by the *Waterworks District* to outside parties, the cost of which is recovered primarily through user fees.

BOULIN-BURY WAGE WATERWORKS DISTRICT NO. 11A
OF RAPIDES PARISH, LOUISIANA
LA Composite Unit of the Rapides Parish Police Jury
Notes to the Financial Statements
December 31, 1998

Note 1 - Summary of Significant Accounting Policies, Continued

D. Basis of Accounting

All proprietary funds are accounted for on a flow of economic resources measurement basis and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred.

E. Cash Equivalents

Cash equivalents are bank certificates of deposit stated at cost plus accrued interest. The certificates of deposit with maturity dates less than 90 days are considered to be cash equivalents.

F. Fixed Assets

All fixed assets are stated at historical cost. Depreciation of all depreciable assets is charged as an expense against operations. Depreciation is calculated using the straight line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Water system	25 - 50 years
Equipment	5 - 15 years

G. Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account based on historical information which would indicate the uncollectibility of a portion of the particular receivable.

H. Contributed Capital

Grant funds received from federal and state agencies restricted for use in financing capital improvements are not reflected as revenues. They are recorded in fixed equity as contributed capital.

Note 2 - Cash and Cash Equivalents and Certificates of Deposit

Under state law, the Waterworks Districts may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Waterworks Districts may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**EDLIN-RUBY WISE WATERWORKS DISTRICT NO. 11A
OF RAPIDES PARISH, LOUISIANA
(A Component Unit of Rapides Parish Police Jury)
Notes to the Financial Statements
December 31, 1996**

Note 2 - Cash and Cash Equivalents and Certificates of Deposit, Continued

At December 31, 1996, the Waterworks District had cash and cash equivalents and certificates of deposit not considered to be cash equivalents totaling \$24,549 as follows:

Demand deposits (Includes \$6,300 restricted account)	\$ 40,978	
Certificates of deposit, with less than 91 days maturity	122,000	
Total Cash and Cash Equivalents	162,978	
Certificates of deposit, other maturities	122,000	
		\$ 284,978

These deposits are stated at cost, which approximates market. Under state law, these deposits for the remaining funds balance must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank. Cash and cash equivalents and certificates of deposit funds balance at December 31, 1996 are secured as follows:

Bank balances	\$ 202,588	
Federal deposit insurance	\$ 100,000	
Pledged securities (noncollateralized)	122,000	
Total	\$ 424,588	

Even though the pledged securities are considered uncollateralized under the provisions of CFAIRB Statement 3, Louisiana Revised Statute 28:1129 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 30 days of being notified by the Waterworks District that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - Receivables

The following is a summary of receivables at December 31, 1996:

Water sales		
Billed services	\$ 36,378	
Unbilled services	1,600	\$ 37,978
All waterline taxes		20,271
		58,249
Less: Allowance for doubtful accounts		(1,656)
Total		\$ 56,593

KALIN-KURY WISE WATERWORKS DISTRICT NO. 11A
OF RAPIDES PARISH, LOUISIANA
(A Component Unit of Rapides Parish Police Jury)
Notes to the Financial Statements
December 31, 1996

Note 4 - Restricted Assets:

Certain proprietary - enterprise fund resources are classified as restricted assets on the balance sheet because their use is restricted by applicable bond covenants or for other legal purposes. The "Revenue Bond Sinking Fund" account is used to accumulate monies to be used for debt service payments within the next twelve months. The "Capital Additions and Contingency Fund" account is used to provide for expansions, additions, improvements, renewals and replacements necessary to properly operate the System. The "Revenue Bond Reserve Fund" is used to report resources set aside to make up potential future deficiencies in the Revenue Bond Sinking Fund Account. Customers' deposits are not associated with the revenue bond indentures. However, there are required deposits from customers to insure against nonpayment of billings or property damage.

Accounts included in the above listed accounts are as follows:

Revenue bond sinking fund account	\$ 38,000
Capital additions and contingency fund account	15,000
Revenue bond reserve fund account	40,000
Customers' deposits	<u>36,583</u>
	\$ 129,583

The balances of all three accounts associated with the revenue bonds were in compliance with the bond indentures.

Note 5 - Fixed Assets:

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

Land	\$ 8,491
Water system	1,819,667
Equipment and vehicles	34,613
Improvements	<u>2,102</u>
	1,874,873
Less accumulated depreciation	<u>508,245</u>
Net	\$ 1,366,628

**ROLIN-BUBY WISE WATERWORKS DISTRICT NO. 11A
OF RAPIDES PARISH, LOUISIANA
(A Component Unit of the Rapides Parish Police Jury)
Notes to the Financial Statements
December 31, 1998**

Note 6 - Long-Term Debt

Revenue bonds dated August 1, 1973, in the amount of \$300,000 were issued for the purpose of maintaining the water system. The bonds bear an interest rate of six percent with annual principal payments of \$5,000 to \$25,000 through August 1, 1998, and are secured by the pledge of income and revenues derived from water sales. The annual requirements to amortize all revenue bonds outstanding at December 31, 1998 follows:

Year Ending December 31	Principal	Interest	Total
1997	15,000	1,800	16,800
1998	30,000	1,800	31,800
Total	\$ 45,000	\$ 3,700	\$ 48,700

The bond indenture also requires the restriction of retained earnings for amounts due on bonds that are not set aside in the sinking fund and reserve fund accounts.

Note 7 - Liabilities Payable From Restricted Assets

Customer deposits and the current portion of revenue bonds are payable from restricted assets referred to in Note 4. Amounts included in these accounts are as follows:

Customer Deposits	\$ 26,305
Revenue Bonds Payable - Current portion	35,000
	<u>\$ 71,305</u>

Note 8 - Retirement Plan

Substantially all employees of the Waterworks District are members of the Parochial Employees Retirement System (the system), a cost sharing, multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system is composed of two distinct plans (Plan A and Plan B). All participating employees of the Waterworks District are members of Plan A.

The System provides retirement, death and disability benefits to plan members and beneficiaries. Benefits are established by state statute. The Parochial Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Parochial Employees Retirement System, P. O. Box 14613, Baton Rouge, LA 70809-4613 or by calling (504) 955-1061.

KOHLIN-BUDY WISE WATERWORKS DISTRICT NO. 11A
OF RAPIDES PARISH, LOUISIANA
(A Corporate Unit of the Rapides Parish Police Jury)
Notes to the Financial Statements
December 31, 1996

Note 8 - Retirement Plan, Continued

Covered employees are required by state statute to contribute 8.5 percent of their salary to the plan. The Waterworks District is required by the same statute to contribute 7.25 percent. Contribution rates have remained the same for the current and prior two years. In addition, contributions to the System include one-fourth of one percent of the taxes shown to be collected by the sheriff of each respective parish, except Orleans and East Baton Rouge Parishes. The Waterworks District's contributions to the system for the years ended December 31, 1996, 1995 and 1994 were \$5,126, \$5,116 and \$4,997, respectively, equal to the required contributions for each year.

Note 9 - Delinquent Debt

On June 31, 1996, the Waterworks District delinquent the 1973 Series of Public Improvement Bonds by placing \$253,718 in an irrevocable trust to purchase United States government securities. These securities placed in the irrevocable trust with an escrow agent will provide for all future debt service payments on the 1973 series bonds. As a result, the 1973 series bonds were removed from the balance sheet at December 31, 1996. The amount outstanding of the 1973 series bonds at December 31, 1996 is \$50,000.

Note 10 - Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Waterworks District in September or October and are usually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

For the year ended December 31, 1996, taxes of 4.25 mills were levied on property with approximate assessed valuations totaling \$15,244,128 and were dedicated to general corporate purposes.

Note 11 - Vacation and Sick Leave

Employees of the Waterworks District, depending on their length of service, earn from one to two weeks of noncumulative vacation leave each year, and all employees are granted five days of sick leave annually, with a maximum accumulation of 15 days. At December 31, 1996, there are no accumulated and unused benefits relating to vacation and sick leave that should be accrued or disclosed in conformity with generally accepted accounting principles.

Note 12 - Litigation

There is no pending litigation at this time regarding Kohlin-Budy Wise Waterworks District No. 11A.

Supplemental Data

McKENLEY WISE WATERWORKS DISTRICT NO. 11A
OF RAPIDES PARISH, LOUISIANA
GA Component Unit of the Rapides Parish Police Jury
Commissioners' Per Diem
For the Year Ended December 31, 1996

<u>Name</u>	<u>Total Per Diem</u>
Jim Adams	\$ 900
Clifton Beaudard	900
Arthur McKindley	940
James Kern	900
Krystal Wilford	<u>580</u>
Total	<u>\$ 4,120</u>



Coen I. Knight, Jr., CPA

June 25, 1997

R. Martin Inacio, CPA

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Commissioners
Kolin-Ruby Wier Waterworks District No. 11A
of Rapides Parish, Louisiana
(A Component Unit of the Rapides Parish
Police Jury)
Monroe, LA 71280

We have performed the procedures included in the *Auditors' Guide* and referenced below, which were agreed to by the management of Kolin-Ruby Wier Waterworks District No. 11A of Rapides Parish, Louisiana (A Component Unit of the Rapides Parish Police Jury) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Kolin-Ruby Wier Waterworks District No. 11A of Rapides Parish, Louisiana (A Component Unit of the Rapides Parish Police Jury) compliance with certain laws and regulations during the year ended December 31, 1996 included in the accompanying *Louisiana Alternative Quarterly*. 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, we make no representation regarding the sufficiency of the procedures described below either for the purposes for which this report has been requested or for any other purposes.

Public Aid 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 38:2212 (the public bid law).

Expenditures made during the year for materials and supplies exceeding \$5,000 were in compliance with LSA-RS 38:2212. There were no public works expenditures exceeding \$50,000 during the year.

Code of Ethics for Public Officials and Public Employees

1. Obtain from management a list of the immediate family members of each board member as defined by LSA-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 us with the required list including the noted information.

Board of Commissioners
Kolin-Ruby Water Works District No. 11A
of Rapides Parish, Louisiana

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

Management provided us with the required list.

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

None of the employees included on the list of employees provided by management (agreed-upon procedure (I)) appeared on the list provided by management in agreed-upon procedure (I).

Accounting and Reporting

5. Randomly select 20 disbursements made during the period under examination and:
(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the 20 selected disbursements and found the payment was for the proper amount and made to the correct payee.

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

All of the payments were properly coded to the correct general ledger account.

Meetings

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

Kolin-Ruby Water Works District No. 11A of Rapides Parish, Louisiana is only required to publish the minutes of each meeting in the local newspaper. We examined supporting documentation and found that the Waterworks District properly publishes the minutes from each meeting.

Debit

7. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or life insurance.

We 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 life insurance.

Board of Commissioners
Kohn-Ruby Wise Waterworks District No. 11A
of Rapides Parish, Louisiana

Advances and Benefits

8. 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 district for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Kohn-Ruby Wise Waterworks District No. 11A of Rapides Parish, Louisiana (A Component Unit of the Rapides Parish Police Jury) and the Legislative Anchor, 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.

Knight-Masden
KNIGHT & MASDEN