

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended
December 31, 2022

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Columbia, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2022

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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Accountant's Compilation Report

BOARD OF COMMISSIONERS
EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

Management is responsible for the accompanying financial statements of the business-type activities of East Columbia Sewerage District (the "District"), a component unit of Caldwell Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head and board of commissioners is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to my compilation engagement, but I have not audited or reviewed the supplementary information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Required Supplementary Information

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

I am not independent with respect to East Columbia Sewerage District for the year ended December 31, 2022.

Carleen Dumas

Calhoun, Louisiana

March 15, 2023

BASIC FINANCIAL STATEMENTS

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

STATEMENT OF NET POSITION
December 31, 2022

ASSETS

Current assets:

Cash	\$28,473
Accounts receivable	4,363
Total current assets	32,836
Property, plant and equipment (net of accumulated depreciation)	174,367
Total assets	207,203

LIABILITIES

Current liabilities:

Accounts payable	3,223
Payroll taxes payable	695
Customer deposits	15,327
Total liabilities	19,245

NET POSITION

Net investment in capital assets	174,367
Unrestricted	13,591
Total net position	\$187,958

See accompanying notes and accountant's compilation report.

Statement B

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

**STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION**
For the Year Ended December 31, 2022

OPERATING REVENUE	
Service fees	\$48,357
Connection fees	450
Total operating revenue	<u>48,807</u>
OPERATING EXPENSES	
Board members per diem	2,849
Accounting	586
Materials and supplies	2,495
Maintenance and repairs	11,607
Dues and fees	1,129
Office expense	1,003
Lab analysis	1,754
Utilities	7,247
Insurance	515
Salaries	21,000
Payroll taxes	1,607
Travel	280
Depreciation	9,959
Total operating expenses	<u>62,031</u>
OPERATING INCOME (Loss)	(13,224)
NET POSITION - BEGINNING	<u>201,182</u>
NET POSITION - ENDING	<u><u>\$187,958</u></u>

See accompanying notes and accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$48,364
Payments to suppliers	(28,296)
Payments to employees and board members	<u>(23,849)</u>
Net cash used by operating activities	(3,781)

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Purchase of capital assets	<u>(1,500)</u>
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NET DECREASE IN CASH (5,281)

CASH AT BEGINNING OF YEAR 33,754

CASH AT END OF YEAR \$28,473

Reconciliation of Operating Income (Loss) to Net Cash**Provided by Operating Activities**

Operating income (loss) (\$13,224)

Adjustments:

Depreciation expense 9,959

Increase in accounts receivable (443)

Decrease in accounts payable (43)

Decrease in payroll taxes payable (30)

Total adjustments 9,443

Net cash used by operating activities (\$3,781)

See accountant's compilation report and accompanying notes.

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2022

INTRODUCTION

East Columbia Sewerage District (the "District") was created by the Caldwell Parish Police Jury, on May 3, 1976, as authorized by Louisiana Revised Statute 33:3881. The District is governed by a five member board appointed by the police jury. As provided by Louisiana Revised Statute 33:3887, the board members receive \$50 per meeting attended. The District is responsible for maintaining and operating a sewerage collection and disposal system within the boundaries of the District and has two part-time employees.

GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*, establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, the District is considered a component unit of the Caldwell Parish Police Jury. As a component unit, the accompanying financial statements may be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Statements

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of :

- (1) Management discussion and analysis (MD&A)
- (2) Statement of net position
- (3) Statement of revenue, expenses, and changes in net position
- (4) Statement of cash flows
- (5) Notes to the financial statements
- (6) RSI other than MD&A, if applicable

The District is a special-purpose government engaged only in business-type activities.

See accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT

Notes to the Financial Statements

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Enterprise fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Enterprise funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenue of the District is service and connection fees. Operating expenses for enterprise funds include the costs of the services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

C. Deposits

Cash includes amounts in a demand deposit. State law limits the District's credit risk by restricting the District's investments to collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

D. Receivables

Receivables for sewer fees are generally shown net of an allowance for uncollectible accounts. These statements contain no provision for uncollectible accounts. The District is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole. Past due accounts are written off when they are considered uncollectible by management.

E. Property, Plant, and Equipment

Property, plant, and equipment, which include the sewerage system and improvements and equipment, are reported in the enterprise fund financial statements. All of the District's property, plant, and equipment are capitalized at historical cost. The District maintains a threshold level of \$900 or more for capitalizing assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

See accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT
Notes to the Financial Statements

All capital assets are depreciated using the straight-line method over the following useful lives:

	Estimated Lives
Infrastructure - sewerage system and improvements	<u>25 years</u>
Buildings and equipment	5 - 25 years

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2022, the District has cash (book balances) as follows:

Checking account	<u>\$28,473</u>
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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. The District's deposits at December 31, 2022 are secured from risk by federal deposit insurance.

3. ACCOUNTS RECEIVABLE

At December 31, 2022, the District has net receivables of \$4,363 as follows:

Service fees	\$4,363
Allowance for uncollectible accounts	<u>NONE</u>
Net receivables	<u>\$4,363</u>

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2022, is as follows:

See accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT
Notes to the Financial Statements

	Balance at January 1, 2022	Increases	Decreases	Balance at December 31, 2022
Capital assets being depreciated:				
Sewer system	\$714,425			\$714,425
Buildings and equipment	14,121	\$1,500		15,621
Total capital assets being depreciated	<u>728,546</u>	<u>1,500</u>	<u>NONE</u>	<u>730,046</u>
Less accumulated depreciation for:				
Sewer system	541,678	8,071		549,749
Buildings and equipment	4,042	1,888		5,930
Total accumulated depreciation	<u>545,720</u>	<u>9,959</u>	<u>NONE</u>	<u>555,679</u>
Total capital assets	<u>\$182,826</u>	<u>(\$8,459)</u>	<u>NONE</u>	<u>\$174,367</u>

Depreciation expense of \$9,959 for the year ended December 31, 2022 was reported on the statement of revenue, expenses, and changes in net position.

5. RISK MANAGEMENT

The District purchased commercial insurance to reduce the risk of loss resulting from theft or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

See accountant's compilation report.

SUPPLEMENTAL INFORMATION SCHEDULE

See accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended December 31, 2022

**SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
AND BOARD OF COMMISSIONERS**

The Schedule of Compensation, Benefits, and Other Payments to Agency Head and Board of Commissioners is presented in compliance with Louisiana Revised Statute 24:513 A (3) and House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The District's commissioners receive \$50 per meeting attended.

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD AND
BOARD OF COMMISSIONERS

For the Year Ended December 31, 2022

BOARD COMPENSATION

Agency Head - Shelby Cruse - President	\$599
Kay Ellerbe	600
Tamara Gutierrez	500
Scott Gwin	600
Phillip Wilkins	<u>550</u>
Total	<u><u>\$2,849</u></u>