

NORTHSIDE UTILITY DISTRICT NO. 2
Rayville, Louisiana

ANNUAL SWORN FINANCIAL STATEMENTS AND
CERTIFICATION OF REVENUES \$50,000 OR LESS (if applicable)

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. The certification of revenues \$50,000 or less, if applicable, is required by Louisiana Revised Statute 24:513(l)(l)(c)(i).

AFFIDAVIT

Personally came and appeared before the undersigned authority, Kathleen Bunn who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Northside Utility District No. 2 as of December 31, 1999, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Kathy A. Bunn, who, duly sworn, deposes and says that the Northside Utility District No. 2 received \$50,000 or less in revenues and other sources for the fiscal year ending December 31, 1999, and, accordingly, is not required to have an audit for the previously mentioned fiscal year-end.

Kathy A. Bunn
Signature

Sworn to and subscribed before me, this 31st day of March, 2000.

Johnny W. Burgen
NOTARY PUBLIC

Officer _____

Address _____

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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.

NORTHSIDE UTILITY DISTRICT NO. 2
RICHLAND PARISH POLICE JURY
Rayville, Louisiana

Component Unit Financial Statements
As of and for the Year Ending
December 31, 1999

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NORTHSIDE UTILITY DISTRICT NO. 2
RICHLAND PARISH POLICE JURY
Rayville, Louisiana

Component Unit Financial Statements
As of and for the Year Ending December 31, 1999
With Supplemental Information Schedules

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KAREN M. HOLLIS

CERTIFIED PUBLIC ACCOUNTANT

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Accountant's Report

BOARD OF COMMISSIONERS
NORTHSIDE UTILITY DISTRICT NO. 2
RICHLAND PARISH POLICE JURY
Rayville, Louisiana

I have compiled the accompanying combined financial statements of Northside Utility District No. 2, a component unit of Richland Parish Police Jury, as of and for the year ending December 31, 1999, as listed in the 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 to 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.

Rayville, Louisiana
March 31, 2000

NORTHSIDE UTILITY DISTRICT NO. 2
 RICHLAND PARISH POLICE JURY
 Rayville, Louisiana
 PROPRIETARY FUND - ENTERPRISE FUND
 (All Fund Types and Account Groups)

Balance Sheet, December 31, 1999

ASSETS

Current assets:

| | |
|---------------------------|---------|
| Cash and cash equivalents | \$9,087 |
| Receivables (net) | 5,640 |
| Total current assets | 14,727 |

Property, plant, and equipment:

| | |
|------------------------------------|-----------|
| Sewer System | 241,065 |
| Water System | 196,034 |
| Less accumulated depreciation | (195,760) |
| Net property, plant, and equipment | 241,339 |

TOTAL ASSETS

\$256,066

LIABILITIES AND FUND EQUITY

Liabilities:

Current liabilities:

| | |
|---|---------|
| Accounts payable | \$1,314 |
| Sales tax payable | 317 |
| Customer deposits | 1,645 |
| Total current liabilities (payable from current assets) | 3,276 |

Fund Equity:

| | |
|---------------------|-----------|
| Contributed capital | 437,099 |
| Retained earnings: | |
| Unreserved | (184,309) |
| Total Fund Equity | 252,790 |

TOTAL LIABILITIES AND FUND EQUITY

\$256,066

See the accountant's report.

The accompanying notes are an integral part of this statement.

NORTHSIDE UTILITY DISTRICT NO. 2
 RICHLAND PARISH POLICE JURY
 Rayville, Louisiana
 PROPRIETARY FUND - ENTERPRISE FUND

Statement of Revenues, Expenses, and
 Changes in Retained Earnings
 For the Year Ending December 31, 1999

| | |
|---|---------------------------|
| OPERATING REVENUES | |
| Sewer fees | \$9,863 |
| Water fees | 23,998 |
| Penalties | 1,015 |
| Total operating revenues | <u>34,876</u> |
| OPERATING EXPENSES | |
| Accounting & bookkeeping | 3,315 |
| Bad debts | 2,946 |
| Depreciation | 10,928 |
| Management | 7,200 |
| Meter reading | 1,800 |
| Repairs & maintenance | 5,069 |
| Supplies | 724 |
| Utilities | 1,372 |
| Water | 9,273 |
| Sewer pumping | 5,245 |
| Total operating expenses | <u>47,872</u> |
| OPERATING INCOME (Loss) | (12,996) |
| NONOPERATING REVENUES (Expenses) | |
| Interest earned on deposits | 751 |
| Total nonoperating revenues (expenses) | <u>751</u> |
| NET INCOME (Loss) | (12,245) |
| RETAINED EARNINGS AT BEGINNING OF YEAR | <u>(172,064)</u> |
| RETAINED EARNINGS AT END OF YEAR | <u><u>(\$184,309)</u></u> |

See accountant's report.

The accompanying notes are an integral part of this statement.

NORTHSIDE UTILITY DISTRICT NO. 2
 RICHLAND PARISH POLICE JURY
 Rayville, Louisiana
 PROPRIETARY FUND - ENTERPRISE FUND

Statement of Cash Flows
 For the Year Ending December 31, 1999

| | |
|--|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Operating income (loss) | <u>(\$12,996)</u> |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | |
| Depreciation | 10,928 |
| Decrease (increase) in accounts receivable | 1,420 |
| (Decrease) increase in accounts payable | <u>(16,064)</u> |
| Total adjustments | <u>(3,716)</u> |
| Net cash provided (used) by operating activities | <u>(16,712)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Interest earned | <u>751</u> |
| Net cash provided (used) by investing activities. | <u>751</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (15,961) |
| CASH AND CASH EQUIVALENTS - BEGINNING | <u>25,048</u> |
| CASH AND CASH EQUIVALENTS - ENDING | <u><u>\$9,087</u></u> |

See the accountant's report.

The accompanying notes are an integral part of this statement.

NORTHSIDE UTILITY DISTRICT NO. 2
RICHLAND PARISH POLICE JURY
Rayville, Louisiana

Notes to the Financial Statements
As of and for the Year Ending December 31, 1999

INTRODUCTION

Northside Utility District No. 2 was created by the Richland Parish Police Jury on December 3, 1981. It was combined from another district with a new area to be provided with water and sewer service. The district is responsible for maintaining and operating a water system and a sewerage collection and disposal system within the boundaries of the district. The district has a contract with the Town of Rayville for water pumping and the sewerage collection and disposal. The district is to be governed by a board of commissioners consisting of five (5) members appointed by the police jury. Each board member is to serve a four (4) year term. The board receives no compensation for their services. The Richland Parish Police Jury has taken over the operations of the District and no separate board exists as of the date of this report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Northside Utility District No. 2 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

The district is a component unit of the Richland Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the district because it appoints a voting majority of the board and has the ability to impose its will on them.

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

NORTHSIDE UTILITY DISTRICT NO. 2
RICHLAND PARISH POLICE JURY
Rayville, Louisiana
Notes to the Financial Statements (Continued)

The Northside Utility District No. 2 is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on 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 measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund is 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. The Enterprise Fund uses the following practices in recording certain revenues and expenses:

Revenues

Revenues are recorded each month when customers are billed. Interest earned on time deposits is recorded at the end of each quarter when credited by the bank.

Other revenues of the district are recorded when received.

Expenses

Expenses are recognized at the time the liability is incurred.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

NORTHSIDE UTILITY DISTRICT NO. 2
RICHLAND PARISH POLICE JURY
Rayville, Louisiana
Notes to the Financial Statements (Continued)

F. FIXED ASSETS

Fixed assets of the district are included on the balance sheet of the fund. Interest costs incurred during construction are capitalized. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Fixed assets reported on the balance sheet are net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of 40 years for water and sewer systems.

G. COMPENSATED ABSENCES

The district does not have any full time employees; therefore it does not have a formal vacation or sick leave policy.

H. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the Enterprise Fund. The district has no long-term liabilities at December 31, 1999.

I. FUND EQUITY

Contributed Capital

Grants, entitlements, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired from such contributions.

Reserves

Reserves represent those portions of fund equity legally segregated for a specific future use.

2. FUND DEFICITS

At December 31, 1999, the unreserved retained earnings deficit totals \$184,309. The director of the district has turned the system over to the Police Jury as of June 30, 1999. The board that has been appointed has never met and leaves everything up to the director, who at this time has not been paid on a consistent basis. As of the date of this report, the director has now been paid in full for all back wages as directed by the Police Jury. The Police Jury is now overseeing the operations of the District.

3. CASH AND CASH EQUIVALENTS

At December 31, 1999, the district has cash and cash equivalents (book balances) totaling \$9,087 as follows:

NORTHSIDE UTILITY DISTRICT NO. 2
RICHLAND PARISH POLICE JURY
Rayville, Louisiana
Notes to the Financial Statements (Continued)

| | |
|----------------------------------|-----------------------|
| Demand deposits | \$6,143 |
| Interest bearing demand deposits | <u>2,944</u> |
| Total | <u><u>\$9,087</u></u> |

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 market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 1999, the district has \$9,887 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance.

4. RECEIVABLES

The following is a summary of receivables at December 31, 1999:

| | |
|-------------------------------|-----------------------|
| Water and sewer | \$7,640 |
| Less estimated uncollectibles | <u>(2,000)</u> |
| Net accounts recievable | <u><u>\$5,640</u></u> |

The district uses the allowance method of writing off uncollectible accounts.

5. FIXED ASSETS

A summary of fixed assets at December 31, 1999, follows:

| | |
|-----------------------------------|-------------------------|
| Water system | \$241,065 |
| Sewer system | 196,034 |
| Less accumulated depreciation | <u>(195,760)</u> |
| Net property, plant and equipment | <u><u>\$241,339</u></u> |

6. PENSION PLAN

The district has no full time employees and therefore, provides no benefits.

7. LITIGATION AND CLAIMS

At December 31, 1999, the district is not involved in any litigation nor is it aware of any unasserted claims.

NORTHSIDE UTILITY DISTRICT NO. 2
RICHLAND PARISH POLICE JURY
Rayville, Louisiana
Notes to the Financial Statements (Continued)

8. GOING CONCERN

The district has operated at a loss for several years. The cash flow is hindered by the district's inability to collect on overdue accounts and the fact that the water and sewer fees charged are not enough to cover costs of the district. The district is facing major repairs to its lines and does not have the money to start the repairs. At this time the

district is applying for a grant to help with the costs of repairs. The director has been paid in full and the district has been turned over to the Richland Parish Police Jury as of June 30, 1999.

**NORTHSIDE UTILITY DISTRICT NO. 2
RICHLAND PARISH POLICE JURY
Rayville, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ending December 31, 1999**

COMPENSATION PAID BOARD MEMBERS

A schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

NORTHSIDE UTILITY DISTRICT NO. 2
RICHLAND PARISH POLICE JURY
Rayville, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ending December 31, 1999

NAME

AMOUNT

There is no direct board for the District. The Richland Parish Police Jury members are presently governing the District.

Total

\$0

See the accountant's report.
The accompanying notes are an integral part of this statement.