

SEWERAGE DISTRICT NO. 1
OF ST. MARY PARISH
ST. MARY PARISH COUNCIL
Morgan City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended
September 30, 1996

E. Encumbrances

The district does not use encumbrance accounting.

F. Cash and cash equivalents

Cash and cash equivalents include amounts in interest-bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Fixed assets

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical costs or estimated cost if historical cost is not available.

H. Pension plan and vacation and sick leave.

The district has no employees; therefore, it has no pension plan or vacation and sick leave policy.

I. Total columns on statement

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2. LEVIED TAXES

The district is authorized to and has levied a 3.99 mill ad valorem tax for the operation and maintenance of the district's sewerage system.

NOTE 3. CASH AND CASH EQUIVALENTS

At September 30, 1996, the district has cash and cash equivalents (bank balances) totaling \$ 33,178.00 which is one interest-bearing demand deposit. Under state law, this deposit (or resulting bank 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

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Notes to the Financial Statements
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September 30, 1996

District No. 1. The cost of the project incurred by the district are reimbursable under the agreement. For the year ended September 30, 1994 all expenditures incurred, which amounted to \$26,905.00, have been reimbursed by DOTD. For the year ended September 30, 1995 all expenditures incurred, which amounted to \$7,840.00, have been reimbursed by DOTD. The total of this grant expended to date is \$34,745.00. These expenditures are primarily engineering fees and related cost.

NOTE 0. LITIGATION AND CLAIMS

At September 30, 1996 the board had no litigation or claims pending.

SEWERAGE DISTRICT NO. 1
OF ST. MARY PARISH
ST. MARY PARISH COUNCIL
Morgan City, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
For the year ended September 30, 1996

COMPENSATION PAID BOARD OF SUPERVISORS

The schedule of compensation paid to members of the board of supervisors is presented in compliance with House concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 13:3887, each member of the board of supervisors receives a per diem of \$40 for each day of attendance at meetings of the board, up to and including 24 days each year. In addition, each member of the board may receive per diem for attendance of up to and including 12 emergency meetings of the board of supervisors in any one calendar year.

**SEWERAGE DISTRICT NO. 1
OF ST. MARY PARISH
ST. MARY PARISH COUNCIL,
Morgan City, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended
September 30, 1998**

must be all times equal the amount on deposit with the fiscal agent. At September 30, 1998, the district has \$15,509.76 in deposits (collected bank balances). This deposit is secured from risk by federal deposit insurance.

NOTE 4. WATER FEES

Water fees are billed to customers each month by St. Mary Parish Water District No. 1. The fees are payable the following month. The water district retains 18% as a collection commission and remits the remainder to the sewerage district.

NOTE 5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance September 30, 1997	Additions (Capital expenditures)	Balance September 30, 1998
Land	\$ 6,400.00	\$ 0.00	\$ 6,400.00
Sewerage system	444,685.41	23,703.82	468,389.23
Building & Improvements	12,783.30	0.00	12,783.30
Equipment	472.48	0.00	472.48
Office equipment	1,000.00	0.00	1,000.00
	-----		-----
Total	\$465,241.20	\$ 23,703.82	\$488,945.02
	-----	-----	-----

There were no retirement of assets for the year ended September 30, 1998.

NOTE 6. PARISH COUNCIL GRANT

This grant was received by the St. Mary Parish Council for the maintenance of the district's facilities.

NOTE 7. LOUISIANA DOTD GRANT

This grant was received from the Louisiana Department of Transportation and Development (DOTD) in accordance with State Project No. 116-52-0023 Cooperative Memorandum Agreement. Act 44 of the 1998, Regular Session of the Louisiana Legislature appropriated \$275,000.00 to the DOTD to administer the financing of a project which consists generally of planning, construction and installation of a sewer system in St. Mary Parish Sewer

SEWERAGE DISTRICT NO. 1
OF ST. MARY PARISH
ST. MARY PARISH COUNCIL
Morgan City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended
September 30, 1996

INTRODUCTION

Sewerage District No. 1 of St. Mary Parish was created by the St. Mary Parish Council, as authorized by Louisiana Revised Statute 33:3222. The sewerage district is governed by a three-member board of supervisors, appointed by the council. The sewerage district's finances have been primarily ad valorem taxes on property located within the district's boundaries, and user fees collected from customers. The sewerage district has in the past provided services to approximately 750 customers. The sewerage system has approximately six and one-half miles of regular sewerage lines, a mile of force feed line, three lift stations, and a waste treatment plant.

In September 1996 the operation and maintenance of the sewerage collection and treatment facilities were assumed by: (a) St. Mary Parish Water and Sewerage Commission No. 1; and (b) the City of Morgan City. At that time Sewerage District No. 1 discontinued receiving the user fees collected from customers.

Sewerage District No. 1 has applied for and received a grant to extend sewerage collection lines and install necessary lift stations. Sewerage District No. 1 has agreed to transfer, upon completion of the project, ownership of all of its sewerage facilities to the City of Morgan City and to the St. Mary Parish Water and Sewerage Commission No. 1. At that time it is anticipated that Sewerage District No. 1 of St. Mary Parish will be abolished.

Sewerage District No. 1 has also agreed to remit to the City of Morgan City and to the St. Mary Parish Water and Sewerage Commission No. 1 seventy-five (75%) percent of the ad valorem taxes levied for 1996 which it receives.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation

The accompanying financial statements 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.

TIMOTHY S. KEARNS

 MASTER OF BUSINESS ADMINISTRATION
 CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

**Board of Supervisors
 SEWERAGE DISTRICT NO. 1
 OF ST. MARY PARISH
 ST. MARY PARISH COUNCIL
 Morgan City, Louisiana**

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Sewerage District No. 1 of St. Mary Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Sewerage District No. 1 of St. Mary Parish's compliance with certain laws and regulations during the year ended September 30, 1994 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, we 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 expenditures were made during the year for material and supplies exceeding \$5,000 and no expenditures were made during the year for public works exceeding \$50,000.

The expenditures capitalized as Sewerage Systems are primarily engineering and related fees.

Code of Ethics for Public Officials and Public Employees

2. 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, except for one board member. That board member did not provide a list of business and assets.

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

There were no employees paid during the year. However, there were two sub-contract laborers paid during the year, which were the maintenance supervisor and the bookkeeper/secretary.

SEWERAGE DISTRICT NO. 1
 OF ST. MARY PARISH
 ST. MARY PARISH COUNCIL
 Morgan City, Louisiana

Schedule 2

Schedule of Compensation Paid Board of Supervisors
 For the year ended September 30, 1996

MEMBER	1996	
	NUMBER	AMOUNT
.....
Robert Taylor (Chairman)	16	\$ 960
Madra Wilmerson	14	840
Ashley Fields	12	720
TOTAL	 \$ 2,520

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.

None of the sub-contract laborers appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

Management provided us with a copy of the original budget and an amended budget.

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

We traced the adoption of the original budget to the minutes of a meeting held on December 4, 1993, which indicated that the budget had been approved. We traced the adoption of the amended budget to the minutes of a meeting held on September 3, 1996, which indicated that the amended budget had been approved.

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

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

Accounting and Reporting

8. Randomly select 6 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 six selected 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

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

(c) determine whether payments received approval from proper authority.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the board.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:13 (the open meetings law).

The Sewerage District is only required to post a notice of each meeting and the accompanying agenda on the door of the office building. Management provided us with a copy of the notice which it asserts is permanently posted on the door of the meeting room. The notice states "SEWERAGE DISTRICT #1 REGULAR MEETINGS ARE HELD ON THE FIRST MONDAY OF EACH MONTH AT

5:38 P.M.* The notice is signed by the Chairman, Robert Taylor. The notice does not include an agenda.

Notes

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

We inspected the source of all deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like instruments.

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.

A reading of the minutes of the board for the year indicated no approval for the payments noted. We also inspected payments to board members and sub-contract laborers for the year and noted no instances which would indicate payments 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 the management of the Sewerage District No. 1 of St. Mary Parish 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 purpose. However, this report is a matter of public record and its distribution is not limited.



February 28, 1993

SEWERAGE DISTRICT NO. 1
OF ST. MARY PARISH
ST. MARY PARISH COUNCIL
Morgan City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended
September 30, 1996

B. Reporting entity

Section 2180 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 parish council 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 parish council appoints the governing board and because of the scope of public services to the residents of St. Mary Parish, the district was determined to be a component unit of the St. Mary Parish Council, the governing body of the parish and the governing 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 parish council, the general government services provided by the governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. Fund accounting

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The only fund of the district is the general fund, which is classified as a governmental fund. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The general fund is the general operating fund of the district that accounts for all financial resources, except those required to be accounted for in other funds.

**SEWERAGE DISTRICT NO. 1
OF ST. MARY PARISH
ST. MARY PARISH COUNCIL
Morgan City, Louisiana
GOVERNMENTAL FUND - GENERAL FUND**

**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the year ended September 30, 1996**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Ad valorem tax	536,430.27	534,963.30	\$1,467.00
Water fees	16,536.55	14,235.90	2,300.65
Interest	255.25	262.37	(7.12)
Parish Council grant	15,000.00	15,000.00	0.00
Louisiana DOTD grant	17,800.00	16,599.00	1,201.00
Total revenues	585,022.07	581,059.57	\$3,962.50
EXPENDITURES			
Advertising	\$ 153.00	\$ 322.44	\$ 169.44
Reaper rental	154.20	165.44	(11.24)
Bank charges	0.00	20.00	(20.00)
Bookkeeper/secretary	2,000.00	1,000.00	1,000.00
Collection commission	0.00	1,422.50	(1,422.50)
Insurance	4,270.00	4,008.55	2,261.45
Legal & accounting	2,000.00	2,200.00	(200.00)
Maintenance supervisor	10,000.00	10,000.00	0.00
Office expenses	84.38	516.85	(432.47)
Per diem	2,880.00	2,500.00	380.00
Permits	1,100.00	0.00	1,100.00
Post office box	89.00	60.00	(29.00)
Repairs & maintenance	21,183.66	17,772.88	3,410.78
Utilities	14,420.80	9,813.92	4,606.88
Capital outlay - sewerage sys	27,000.00	23,703.82	3,296.18
Total expenditures	815,582.03	593,843.83	\$227,738.20
Excess (deficiency) of revenues over expenditures	\$ 0.00	\$12,215.74	\$12,215.74
FUND BALANCE AT BEGINNING OF YEAR	11,387.27	11,387.27	0.00
FUND BALANCE AT END OF YEAR	11,387.27	11,139.95	\$247.32

SEWERAGE DISTRICT NO. 1
OF ST. MARY PARISH
ST. MARY PARISH COUNCIL,
Morgan City, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet
September 30, 1996

	Governmental Fund- General Fund	Account Group -General Fixed Assets	Total (Memorandum Only)
ASSETS			
Cash & cash equivalents	\$ 11,179.95	\$ 0.00	\$ 11,179.95
Land	0.00	4,800.00	4,800.00
Sewerage system	0.00	448,369.23	448,369.23
Building & improvements	0.00	12,783.20	12,783.20
Equipment	0.00	473.49	473.49
Office equipment	0.00	1,000.00	1,000.00
Total assets	\$ 11,179.95	\$462,224.92	\$473,404.87
LIABILITIES AND FUND EQUITY			
Liabilities:			
Fund equity:			
Investment in fixed assets	0.00	462,224.92	462,224.92
Fund balance - unreserved - undesignated	11,179.95	0.00	11,179.95
Total fund equity	\$ 11,179.95	\$462,224.92	\$473,404.87
Total liabilities and fund equity	\$ 11,179.95	\$462,224.92	\$473,404.87

TIMOTHY S. KEARNS
MASTER OF BUSINESS ADMINISTRATION
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Supervisors
SEWERAGE DISTRICT NO. 1
OF ST. MARY PARISH
ST. MARY PARISH COUNCIL
Morgan City, Louisiana

We have compiled the accompanying component unit financial statements of the Sewerage District No. 1 of St. Mary Parish, a component unit of the St. Mary Parish Council, as of September 30, 1994, and for the year then ended. The financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.


February 28, 1995

Timothy S. Kearns
Independent Accountant

By 

SEWERAGE DISTRICT NO. 1
OF ST. MARY PARISH
ST. MARY PARISH COUNCIL
~~Louisiana~~ Parish, Louisiana
~~St. Mary~~
ANNUAL SWORN FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1936

The annual sworn financial statements are required by Louisiana Revised Statute 34-814 to be filed with the Office of Legislative Auditor within 90 days after the close of the fiscal year.

A F F I D A V I T

Personally came and appeared before the undersigned authority,
Robert A. Taylor, Jr., who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the

SEWERAGE DISTRICT NO. 1
OF ST. MARY PARISH
ST. MARY PARISH COUNCIL
as of September 30, 1936,

and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

Sworn to and subscribed before me, this 11th day of March, 1937.


Signature

NOTARY PUBLIC

Officer Robert A. Taylor, Jr., Chairman
Address P. O. Box 1275
Monroe City, La. 7008
Telephone No. Area 926-2986 and

TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

March 22, 1979
(Date)

Office of Legislative Auditor
Attention: Ms. Dorothy Milner
2400 North Third
Post Office Box 24127
Baton Rouge, Louisiana 70824-9127

Dear Ms. Milner:

In accordance with Louisiana Revised Statute 28:518, enclosed are the annual financial statements for the Sewerage District No. 1 of St. Mary Parish as of and for the year ended ~~December 31~~^{August 31}, 1978. The report includes all funds under control and oversight of the board. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,


Name: ROBERT A. TAYLOR
Title: Chairman

SEWERAGE DISTRICT NO. 1
OF ST. MARY PARISH
ST. MARY PARISH COUNCIL
Moggs City, Louisiana

Component Unit Financial Statements
As of and for the Year Ended September 30, 1956
With Supplemental Information

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SEWERAGE DISTRICT NO. 1
OF ST. MARY PARISH
ST. MARY PARISH COUNCIL
Morgan City, Louisiana

*Comptroller's Own Financial Statements
As of and for the Year Ended
September 30, 1987
With Supplemental Information Schedule*

These provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity and other appropriate public officials. This 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 APR 16 1987

TIMOTHY S. KEARNS
Auditor of Accounts and Comptroller
Certified Public Accountant

an independent Corporation
100 Southpointe Boulevard, Suite 1000
Baton Rouge, Louisiana 70801

SEMERAKE DISTRICT NO. 1
OF ST. MARY PARISH
ST. MARY PARISH COUNCIL
Morgan City, Louisiana

Notes to the Financial Statements
As of and for the Year Ended
September 30, 1996

D. Basis of accounting

The accounting and financial reporting treatment applied to a Fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement processes increases and decreases in net current assets. The district's records are maintained on the cash basis of accounting. However, the general fund reported in the financial statements has been converted to the modified accrual basis of accounting using the following provisions in recording revenues and expenditures:

Revenues -

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad Valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. User fees are recorded in the month that the bills are mailed to the customers.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Parish Council grant is recorded when received.

Louisiana DOTD grant revenue is recognized when the district is entitled to receive the funds as a result of incurring an expenditure in accordance with the terms of the grant, and is therefore reimbursable from the granting agency.

All other revenue are recorded when received.

Expenditures -

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. Budgets

As required by Louisiana Revised Statutes 38:1501-1505, the district adopted a budget for the General Fund for the year ended September 30, 1994 at a regular meeting held December 4, 1993. The budget was later amended at a regular meeting held September 2, 1994. Unexpended appropriations lapse at year end, and must be reappropriated in the next year's budget to be expended. The board of supervisors reserves all authority to make changes to the budget.