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**NORTHERN UTILITIES DISTRICT NO. 2
RICHMOND PRAIRIE POLICE JURY
Bossierie, Louisiana**

**Component Unit Financial Statements
As of and for the Year Ended
December 31, 1991**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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: APR 09 1991

Faron M. Hollis, CPA
PO Box 107
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Bossierie, Louisiana 70009
(504) 720-0888

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

Component Unit Financial Statements
As of and for the Year Ended December 31, 1997
With Supplemental Information Schedules

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NORTHSIDE UTILITY DISTRICT NO. 2
PO BOX 881
BATON ROUGE, LOUISIANA 71209

March 20, 1968

Office of Legislative Auditor
Attention: Ms. Dorothy Milner
1608 North Third
PO Box 94377
Baton Rouge, Louisiana 70804-9377

Dear Ms. Milner:

In accordance with Louisiana Revised Statute 28:214, enclosed are the annual financial statements for the Northside Utility District No. 2 as of and for the fiscal year ended December 31, 1967. The report includes all funds under the control and oversight of the district. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,


J. W. McGeehan, Director
Northside Utility District No. 2

Enclosure

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

ANNUAL SWORN FINANCIAL STATEMENTS
AND CERTIFICATION OF REVENUES \$50,000 OR LESS

The annual sworn financial statements are required by Louisiana Revised Statute 24:304 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 24:313(3)(2)(c)(i).

AFFIDAVIT

Personally seen and appeared before the undersigned authority, J. W. McClellin, Director, who, duly sworn, deposes and says that the financial statements herewith gives present fairly the financial position of the Northside Utility District No. 2 as of December 31, 1997, 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, J. W. McClellin, who, duly sworn, deposes and says that the Northside Utility District No. 2 received \$50,000 or less in revenues and other resources for the fiscal year ending December 31, 1997, and, accordingly, is not required to have an audit for the previously mentioned fiscal year end.

J. W. McClellin
Director

Sworn to and subscribed before me, this 20th day of March, 1998
Richard J. Garcia
NOTARY PUBLIC

Office _____
Address _____
Phone _____



KAREN M. HOLLIS

CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 897
831 Madison Street
Bogalusa, LA 71029
Phone (504) 735-6368

BOARD OF COMMISSIONERS
MOBILE UTILITY DISTRICT NO. 2
RICHLAND PARISH POLICE JURY
Bogalusa, Louisiana

I have compiled the accompanying combined financial statements of Mobile Utility District No. 2, a component unit of Richland Parish Police Jury, as of and for the year ended December 31, 1997, 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.

March 20, 1998

NORTHSIDE UTILITY DISTRICT NO. 2
RICHARD BARNISH POLICE JURY
 Bayville, Louisiana
PROPRIETARY FUND - SHTHOORISE FUND
 (All Fund Types and Account Groups)

Statement A

Combined Balance Sheet, December 31, 1997

Assets

Current Assets:

Cash and Cash Equivalents (Notes 1 & 2)	\$	19,714
Receivables (Note 4)		<u>4,712</u>
Total Current Assets		<u>24,426</u>

Property, Plant and Equipment:

Sewer System		241,068
Water System		196,004
Less Accumulated Depreciation		<u>(173,994)</u>
Net Property, Plant and Equipment		<u>263,078</u>

TOTAL ASSETS	\$	<u>517,504</u>
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LIABILITIES AND FUND EQUITY

Liabilities:

Current Liabilities:

Sales Tax Payable	\$	149
Accounts Payable		1,009
Due to Management		8,600
Customer Deposits		<u>3,885</u>
Total Current Liabilities		<u>13,643</u>

Fund Equity:

Contributed Capital	\$	407,099
Retained Earnings - Unreserved (Note 3)		<u>113,811</u>
Total Fund Equity		<u>520,910</u>

TOTAL LIABILITIES AND FUND EQUITY	\$	<u>520,910</u>
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See the accompanying notes and accountant's report.

NORTHSIDE UTILITY DISTRICT NO. 2
 RICHARD PARSON POLICE JURY
 FAYETTE, LOUISIANA
 PROPRIETARY FUND - NORTHSIDE FUND

Statement of Revenues, Expenses, and
 Changes in Retained Earnings
 for the Year Ended December 31, 1997

OPERATING REVENUES

Power fees	\$	8,105
Meter fees		18,882
Miscellaneous revenues		<u>817</u>
Total Operating Revenues	\$	<u>27,804</u>

OPERATING EXPENSES

Accounting & Bookkeeping	\$	3,148
Bad Debts		2,345
Depreciation		18,828
Management		7,288
Meter Reading		1,070
Repairs & Maintenance		2,435
Supplies		462
Utilities		862
Tax & License		504
Water		7,688
Sewer		<u>5,364</u>
Total Operating Expenses	\$	<u>43,298</u>

OPERATING INCOME (LOSS)	(15,494)
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NON-OPERATING INCOME

Interest earned on deposits	<u>438</u>
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NET INCOME (LOSS)	\$ (15,056)
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RETAINED EARNINGS - BEGINNING	<u>143,863</u>
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RETAINED EARNINGS - ENDING	<u>128,807</u>
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See the accompanying notes and accountants' report.

NORTHEAST STALETT DISTRICT NO. 2
RICHARD JAMES POLICE JURY
Rayville, Louisiana
PROPRIETARY FUND - RETIREMENT FUND

Statement C

Statement of Cash Flows
For the Year ended December 31, 1997

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net operating income (loss)	\$ <u>407,208</u>
adjustments to reconcile net operating income (loss) to net cash provided by operating activities:	
Depreciation	\$ 10,928
Decrease (increase) in accounts receivable	1,513
(Decrease) increase in accounts payable and due to	<u>881</u>
Total Adjustments	13,322
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>421,530</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest earned	\$ <u>638</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ <u>638</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,466
CASH AND CASH EQUIVALENTS - BEGINNING	\$ <u>22,180</u>
CASH AND CASH EQUIVALENTS - ENDING	\$ <u>35,646</u>

See the accompanying notes and accountant's report.

NORTHSIDE UTILITY DISTRICT NO. 3
RICHLAND PARISH POLICE JURY
Rayville, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1997

INTRODUCTION

Northside Utility District No. 3 was created by the Richland Parish Police Jury on December 3, 1991. 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 until a new member is appointed. The board receives no compensation for their services and as of the date of this report, the last board appointed by the Police Jury has never met. The initial board hired a director to oversee operations of the district and the director hires contract labor when necessary.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of Northside Utility District No. 3 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

As the governing authority of the parish, for reporting purposes, the Richland Parish Police Jury is the financial reporting entity for Richland Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Richland Parish Police Jury for financial reporting purposes. The basic

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

criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are financially dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Richland Parish Police Jury appoints the governing board, the district was determined to be a component unit of the Richland Parish Police Jury, the financial reporting entity. 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

The Seaward 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

The accrual basis of accounting is utilized by the Enterprise Fund. Under this method, revenues are recorded when earned. Therefore, the district records the revenues when the customers are billed each month.

Interest income on time deposits is recorded at the end of each quarter when credited by the bank.

Other revenues of the fund are generally recognized when received.

Expenses

Expenses are recognized at the time the liability is incurred.

I. 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.

The District has no investments at this time.

F. FIXED ASSETS

Fixed assets of the district are included on the balance sheet of the fund. Interest costs incurred during construction are not capitalized. Depreciation of all exhaustible fixed assets are 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 the sewer and water systems.

G. COMPENSATED ABSENCES AND PENSION PLAN

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

H. LONG TERM LIABILITIES

WORTHLEIGH UTILITY DISTRICT NO. 2
WORTHLEIGH TOWNSHIP POLICE JURY
Rayville, Louisiana
Notes to the Financial Statements (Continued)

Long-term liabilities are recognized within the Enterprise Fund. The District has no long-term debt as of December 31, 1997.

1. 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. CASH AND CASH EQUIVALENTS

As December 31, 1997, the District has cash and cash equivalents (bank balances) totaling \$18,214 as follows:

Demand Deposits	\$21,400
Interest Bearing Demand Deposits	<u>20,120</u>
Total	<u>\$18,214</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or 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. At December 31, 1997, the district has \$18,838 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and so securities are pledged by the custodial bank in the name of the fiscal agent.

3. FUND EXPLICIT AND GOING CONCERN

The WorthleIGH Utility District No. 2 has operated at a net loss for the year ending December 31, 1997. The district's cash flow is hindered by the inability to collect on overdue accounts and the probability that the fees charged are not enough to cover the expenses of the district. If major repairs were needed, the district would be unable to complete them without some outside assistance. Also the district has not been able to pay the manager's salary on a consistent basis each month which has created a liability to the district.

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

The board of commissioners has not met to attend to these matters and has left the operations of the district to the manager, Mr. J. M. McGlothlin. Mr. McGlothlin has agreed that the district is in need of changes, either a rate increase, which is felt that the customers of the district will reject and cause a larger number of receivables to be uncollectible or have the police jury take the district over and renegotiate the district's contract with the Town of Rayville, which supplies the district with the water and sewer pumping. Mr. McGlothlin informs the police jury on the operations of the district.

4. ACCOUNTS RECEIVABLE

A summary of Accounts Receivable at December 31, 1997 follows:

Water and Sewer	\$ 6,782
Less estimated uncollectibles	<u>12,682</u>
Net Accounts Receivable	<u>\$ 4,782</u>

During 1998, the district had a policy of allowing the delinquent accounts to become at least six months behind before disconnection of service. Changes in collecting accounts receivable were made in 1994 to reduce the amount of uncollectible accounts. In 1994 the accounts are stopped in and to notify customer of final bill before disconnection. Disconnection of service is completed if no payment within 30 days from receipt of final bill.

5. FIXED ASSETS

A summary of fixed assets at December 31, 1997 follows:

Water System	\$ 241,045
Sewer System	184,034
Less Accumulated Depreciation	<u>(173,808)</u>
Net Property Plant and Equipment	<u>\$ 251,271</u>

The water and sewer systems are depreciated using straight line over a period of 40 years.

6. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 1997, nor is it aware of any unasserted claims.

SEWERSIDE UTILITY DISTRICT NO. 2
NICHOLAS PARISH POLICE JURY
Rayville, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 1997

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The District's board receives no compensation for their services. The following is a list of board members appointed in December 1997:

Bonnie Gordon
Frank Jones
Bill Williams
Robert Hayes
James Tabb