

**DOYLINE WATERWORKS DISTRICT I, LOUISIANA
WEBSTER PARISH POLICE JURY**

Annual Financial Statements

For the Year Ended June 30, 2017

DOYLINE WATERWORKS DISTRICT I, LOUISIANA
WEBSTER PARISH POLICE JURY

General Purpose Financial Statements
As of and for the Year Ended June 30, 2017
With Supplemental information Schedules

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

The Board of Commissioners
Doyline Waterworks District I
Doyline, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities of the Doyline Waterworks District I, as of and for the year ended June 30, 2017, 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. We have performed a compilation engagement in accordance with Statement on Standards for Accounting and Review Services promulgated by the Accounting and Review Service Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

Accounting principles generally accepted in the United States of America require that the management's budgetary comparison information be presented to supplement the basic financial statements. Such 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. We have compiled the supplementary information from information that is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplemental information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The Schedule of Per Diem Paid to Board Members, Schedule of Compensation, Benefits and Other Payments to Agency Head or Executive Officer, Summary Schedule of Prior Year Findings, and Corrective Action Plan for Current Year Findings are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the representation of management. The information was subject to my compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Wise, Martin & Cole
Minden, Louisiana
December 26, 2017

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

Statement of Net Position
June 30, 2017

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 99,660
Receivables	<u>18,506</u>
Total Current Assets	<u>118,166</u>
Non-Current Assets:	
Restricted assets, cash and cash equivalents	25,898
Capital assets, net of accumulated depreciation	206,258
Other assets	<u>1,068</u>
Total Non-Current Assets	<u>233,224</u>
TOTAL ASSETS	<u>\$ 351,390</u>

LIABILITIES

Current Liabilities:	
Accounts payable	\$ <u>259</u>
Total Current Liabilities	<u>259</u>
Non-Current Liabilities:	
Meter deposits payable	\$ <u>25,898</u>
Total Non-Current Liabilities	<u>25,898</u>
Total Liabilities	<u>26,157</u>

NET POSITION

Invested in capital assets, net of related debt	206,258
Unrestricted	<u>118,975</u>
TOTAL NET POSITION	<u>\$ 325,233</u>

See accompanying notes and accountants' report

Doyline Waterworks District I, Louisiana
Webster Parish Police Jury

Statement of Revenues, Expenses, and Changes in Net Position
June 30, 2017

Operating Revenues

Charges for services:

Water Sales	\$ 109,264
Late fees	2,974
Other charges for services	3,330
Total Operating Revenues	115,568

Operating Expenses

Utilities	13,373
Material and supplies	5,491
Repairs and maintenance	26,508
Telephone	1,105
Contract labor	42,111
Insurance	3,910
Office	1,200
Accounting and legal	3,645
Dues	2,310
Rent	1,064
Depreciation	28,252
Miscellaneous	5,685
Total Operating Expenses	134,654

Operating Income

(19,086)

Non-Operating Revenues (Expenses)

Rent income	750
Grant revenue	-
Interest income	118
Sewer collection fees	3,575
Interest expense	(2,209)
Total Non-Operating Revenues (Expenses)	2,234

Change in Net Position

(16,852)

Total Net Position, Beginning	349,115
Restatement of Prior Yr	(7,030)
Beginning restated	342,085

Total Net Position, Ending	\$ 325,233
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See accompanying notes and accountants' report

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

Statement of Cash Flows
June 30, 2017

Cash Flows From Operating Activities	
Receipts from customers and users	\$ 113,479
Payments for supplies and services	(106,531)
Other operating cash payments	<u>-</u>
Net Cash Provided by Operating Activities	<u>6,948</u>
Cash Flows from Non-Capital Financing Activities	
Customer meter deposits	777
Other miscellaneous	<u>4,612</u>
Net Cash Provided by Noncapital Financing Activities	<u>5,389</u>
Cash Flows From Capital and Related Financing Activities	
Principal paid on capital debt	(34,000)
Capital grants received	-
Interest paid on capital debt	<u>(2,563)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(36,563)</u>
Cash Flows From Investing Activities	
Assets purchased	(12,450)
Interest received	<u>118</u>
Net Cash Provided by Investing Activities	<u>(12,332)</u>
Net Increase in Cash and Cash Equivalents	(36,558)
Cash and Cash Equivalents, Beginning of Year	<u>162,116</u>
Cash and Cash Equivalents, End of Year	<u>\$ 125,558</u>
Reconciliation of Operating income to Net Cash Provided (used) by Operating Activities	
Operating income	\$ (19,086)
Depreciation expense	28,252
(Increase) decrease in accounts receivable	(2,089)
Increase (decrease) in accounts payable	<u>(129)</u>
Total Adjustments	<u>26,034</u>
Net Cash Provided by Operating Activities	<u>\$ 6,948</u>
Cash and Cash Equivalents	
Cash Unrestricted	\$ 99,660
Cash Restricted	<u>25,898</u>
Total Cash and Cash Equivalents	<u>\$ 125,558</u>

See accompanying notes and accountants' report

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

Notes to the Financial Statements
As of and for the Year Ended June 30, 2017

INTRODUCTION

The Doyline Waterworks District I (the District) is a component unit of the Webster Parish Police Jury. The District was created by the Webster Parish Police Jury under R.S. 33:3811 through ordinance 798 dated March 6, 1984, to provide water service to the Doyline community area.

The District is governed by a Board of Commissioners that is appointed by the Webster Parish Police Jury. The Board is uncompensated and consists of eight members, each serving one to five-year terms.

Currently, the District serves approximately 320 customers. The District has five water wells and an elevated storage tank that provides the Doyline area with water.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, Doyline Waterworks District I is considered a component unit of the Webster Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local government through its pronouncements (statements and interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements.

Doyline Waterworks District I has only one fund, which is a proprietary fund. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a

Doyline Waterworks District I, Louisiana
Webster Parish Police Jury

Notes to the Financial Statements
As of and for the Year Ended June 30, 2017

proprietary fund's principal ongoing operations. The principal operating revenues of Doyline Waterworks District I come from the sales and distribution of water. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District has adopted the provisions of Statement No. 34 (Statement 34) of the Governmental Accounting Standards Board, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*. Statement 34 established standards for external reporting for all state and local governmental entities, which include a statement of net assets, a statement of activities and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted.

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the unspent related debt proceeds at year-end.

Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The adoption of Statement No. 34 has no effect on the basic financial statements except for the classification of net assets in accordance with the Statement and the reflection of capital contributions as a change in net assets.

The District utilizes the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

Notes to the Financial Statements
As of and for the Year Ended June 30, 2017

B. Cash

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

C. Accounts Receivable

The major receivables of the District are those from water billings. The District considers substantially all customers' utility receivables to be fully collectible; accordingly, an allowance for doubtful accounts is not required. If amounts become uncollectible, they are charged to operations at that time.

The aging of accounts receivable (water sales) at June 30, 2017, is as follows:

Current	\$ 4,941
30-60 days	2,842
60 Days and Over	<u>10,723</u>
	<u>\$18,506</u>

D. Restricted Assets

Restricted assets include cash of the proprietary fund that is legally restricted as to their use. The primary restricted assets are related to debt service and customer meter deposits.

E. Capital Assets

Capital assets include property, plant, and equipment, and infrastructure assets. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

Notes to the Financial Statements
As of and for the Year Ended June 30, 2017

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

Distribution system	40 Years
Equipment / Storage Building	10 years

F. Long-Term Obligations

In the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Long-term debt consists primarily of bonds payable.

G. Estimates

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At June 30, 2017, Doyline Waterworks District I has cash and cash equivalents with book balances totaling \$125,558 as follows:

Interest-bearing demand deposits	\$ 125,558
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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 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 June 30, 2017,

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

Notes to the Financial Statements
As of and for the Year Ended June 30, 2017

Doyline Waterworks District I had \$193,830 in deposits (collected bank balances). The deposits are insured with \$250,000 of federal deposit insurance.

3. RECEIVABLES

Accounts receivable for water customers are analyzed periodically and accounts considered to be uncollectible are charged off. For the year ended June 30, 2017, \$0 of accounts receivable were charged off. Past due accounts totaled \$9,139 at June 30, 2017.

Accounts receivable for water customers total \$18,506 at June 30, 2017.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2017, for Doyline Waterworks District I is as follows:

Capital assets Being depreciated	Beginning Balance	Increases	Decreases	Ending Balance
Distribution system	\$ 804,823	-	-	\$ 804,823
Equipment / Storage Building	<u>101,761</u>	<u>12,450</u>	<u>(4,117)</u>	<u>110,089</u>
Total capital assets being Depreciated	906,584	12,450	(4,117)	914,912
Less accumulated epreciation	<u>684,319</u>	<u>28,252</u>	<u>(3,912)</u>	<u>708,659</u>
Total business-type activities, Net	<u>\$ 222,265</u>	<u>(15,802)</u>	<u>\$ (205)</u>	<u>\$206,258</u>

5. BOND PAYABLE

Bonds were paid off during year ended June 30, 2017

6. WELL SITE RENT

The District entered into an operating lease agreement on December 20, 1984, for forty years with an annual lease rental payment of an amount equal to twice the minimum water charge per month for residential users for the purpose of the operation and maintenance of a well and a water distribution system located on the Carter property. Total lease payments for the year ended June 30, 2017, totaled \$80.

Doyline Waterworks District I, Louisiana
Webster Parish Police Jury

Notes to the Financial Statements
As of and for the Year Ended June 30, 2017

The District also entered into an operating lease agreement on October 21, 1987, for forty years with an annual lease rental payment of an amount equal to twice the minimum water charge per month for residential users for the purpose of the operation and maintenance of a well and a water distribution system located on the Bass property. Total lease payments for the year ended June 30, 2017, totaled \$664.

7. RESTRICTED ASSETS

Restricted assets of Doyline Waterworks District I at June 30, 2017, are as follows:

Customer meter deposits	\$ 25,898
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8. NEW GASB STANDARD

Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement establishes standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. For the year ended June 30, 2017, the District was not subject to GASB 68 since it had no employees.

9. RESTATEMENT OF NET POSITION

Outstanding note balance at year ended June 30, 2016 was understated by \$7,030. Beginning net position for year ended June 30, 2017 has been restated.

Net position June 30, 2016 original	\$349,115
Restated for note balance	<u>(7,030)</u>
Restated Balance	<u>\$342,085</u>

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

Notes to the Financial Statements
As of and for the Year Ended June 30, 2017

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the accountants' report. No items were noted requiring recognition or disclosure in the financial statements for the year ending June 30, 2017.

OTHER SUPPLEMENTAL SCHEDULES

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2017**

<u>Board Member</u>	<u>Compensation Paid</u>
Stanley Brown, President	None
Scott Stewart,	None
Beth Walker	None
Christopher Clegg	None
Lee W. Ware	None

See accountants' report

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

**Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2017**

Agency Head: Stanley Brown President

Compensation, benefits and other payments paid to Agency Head -0-

See accountants' report

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

**Summary Schedule of Prior Audit Findings
For the year ended June 30, 2017**

There were no findings for the prior year ending June 30, 2016.

See accountants' report

**Doyline Waterworks District I, Louisiana
Webster Parish Police Jury**

Schedule of Current Year Findings
June 30, 2017

There were no findings for the year ended June 30, 2017.

See accountants' report