

**EAST COLUMBIA WATERWORKS DISTRICT**  
**Columbia, Louisiana**

**Annual Financial Statements**

**As of and for the Year Ended**  
**December 31, 2007**

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.

Release Date 3/5/08

**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana

Annual Financial Statements  
As of and for the Year Ended December 31, 2007

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*M. Carleen Dumas*

**CERTIFIED PUBLIC ACCOUNTANT**

369 DONALDSON ROAD . CALHOUN, LOUISIANA. TELEPHONE 318/644-5726

**Independent Accountant's Report**

BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

I have reviewed the accompanying financial statements of the business-type activities of the East Columbia Waterworks District as of and for the year ended December 31, 2007. These financial statements are the responsibility of the management of the East Columbia Waterworks District.

My review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. A review consists principally of inquiries of East Columbia Waterworks District personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report dated February 15, 2008, on the results of my agreed-upon procedures.

The management's discussion and analysis on pages 3 through 5 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board (GASB). Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

/s Carleen Dumas  
Calhoun, Louisiana  
February 15, 2008

MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF THE SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended December 31, 2007

Our discussion and analysis of East Columbia Waterworks District's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2007. Please read it in conjunction with the District's financial statements that begin on page 7.

**BASIC FINANCIAL STATEMENTS**

This annual report consists of a series of 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 :

- a. Management's discussion and analysis (MD&A)
- b. Statement of net assets
- c. Statement of revenues, expenses, and changes in net assets
- d. Statement of cash flows
- e. Notes to the financial statements
- f. RSI other than MD&A, if applicable

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

**Enterprise Fund Financial Statements**

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and the changes in them. Net assets - the difference between assets (what the District owns) and liabilities (what the District owes) is a way to measure the financial position of the District. Over time, increases or decreases in the District's net assets are an indicator of whether the District's financial position is improving or deteriorating.

EAST COLUMBIA WATERWORKS DISTRICT  
 Columbia, Louisiana  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 For the Year Ended December 31, 2007

The Statement of Cash Flows provides information on the changes in cash during the year. This statement reports the net cash provided or used by operating activities, capital and related financing activities, and investing activities.

**COMPARATIVE ANALYSIS OF  
 FINANCIAL DATA**

The District's total net assets decreased by \$21,779 during 2007. The decrease in net assets is due to a \$24,733 decrease in water sales and a \$93,719 increase in operating expenses. The increase in operating expenses resulted from a \$66,396 expense for tank maintenance and the laying of new water lines. The following presents an analysis of net assets and changes in net assets of the District's business-type activities:

	<b>BUSINESS-TYPE ACTIVITIES</b>	
	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Current assets	\$163,012	\$174,064
Restricted assets	188,823	210,863
Capital assets	<u>253,260</u>	<u>266,742</u>
Total assets	<u>605,095</u>	<u>651,669</u>
<b>Liabilities</b>		
Current liabilities	81,199	68,994
Long-term liabilities	<u>385,000</u>	<u>422,000</u>
Total liabilities	<u>466,199</u>	<u>490,994</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	(168,740)	(191,258)
Restricted for debt service	188,823	210,863
Unrestricted	<u>118,813</u>	<u>141,070</u>
Total net assets	<u>138,896</u>	<u>160,675</u>
Operating revenues	261,298	284,956
Operating expenses	267,379	173,660
Non-operating revenues (expenses)	<u>(15,698)</u>	<u>(29,752)</u>
Change in net assets	(21,779)	81,544
Net assets - beginning	<u>160,675</u>	<u>79,131</u>
Net assets - ending	<u>\$138,896</u>	<u>\$160,675</u>

**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended December 31, 2007

**OVERALL FINANCIAL POSITION**

Unrestricted net assets ( those assets available to finance the daily operations of the district) were \$118,813 at year end. The amount of net assets restricted for debt service was \$188,823. The amount invested in capital assets, net of related debt was (\$168,740) at year end.

**CAPITAL ASSETS AND DEBT**

**Capital Assets**

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling \$253,260. Capital assets include land, the water system and equipment costing \$1,000 or more. During 2007, the district purchased a mobile home to be used as an office that cost \$3,500. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

**Debt**

At year end the District had \$422,000 in revenue bonds payable. Interest expense on these bonds was \$22,900 for 2007. Additional information about the District's debt is presented in Note 5 to the financial statements.

**ECONOMIC FACTORS**

The District anticipates its operating revenues and expenses to be fairly constant for 2008. The District has applied for a state grant to upgrade its filter system during 2008 but no determination has been made as to whether the District will actually receive grant funds for this project.

**BASIC FINANCIAL STATEMENTS**

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

STATEMENT OF NET ASSETS  
December 31, 2007

**ASSETS**

## Current assets:

Cash	\$89,065
Investments	45,631
Receivables (net of allowance for bad debts)	<u>28,316</u>
Total current assets	<u>163,012</u>

## Noncurrent assets:

Restricted cash	100,647
Restricted investments	88,176
Property, plant and equipment (net of accumulated depreciation)	<u>253,260</u>
Total noncurrent assets	<u>442,083</u>
Total assets	<u>605,095</u>

**LIABILITIES**

## Current liabilities:

Accounts payable	13,035
Payroll taxes payable	768
Sales taxes payable	3
Current portion of long-term debt	37,000
Customer deposits	<u>30,393</u>
Total current liabilities	81,199

## Noncurrent liabilities:

Long-term debt - revenue bonds payable	<u>385,000</u>
Total liabilities	<u>466,199</u>

**NET ASSETS**

Invested in capital assets, net of related debt	(168,740)
Restricted for debt service	188,823
Unrestricted	<u>118,813</u>
Total net assets	<u>\$138,896</u>

See accompanying notes and accountant's report.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS

For the Year Ended December 31, 2007

<b>OPERATING REVENUES</b>	
Water sales	\$252,815
Installation fees	6,220
Other operating revenue	<u>2,263</u>
Total revenues	<u>261,298</u>
<b>OPERATING EXPENSES</b>	
Per diem	3,550
Travel	10,245
Accounting and audit	1,383
Labor	24,188
Materials and supplies	49,451
Office expense	11,392
Utilities	15,062
Insurance	33,581
Salaries	27,600
Collections expense	1,440
Payroll taxes	2,457
Tank maintenance	66,396
Depreciation	16,982
Other operating expenses	<u>3,652</u>
Total operating expenses	<u>267,379</u>
<b>OPERATING INCOME (Loss)</b>	<u>(6,081)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest income	7,193
DOTD line relocation grant	21,754
Line relocation expense	(21,745)
Interest expense	<u>(22,900)</u>
Total non-operating revenues (expenses)	<u>(15,698)</u>
<b>DECREASE IN NET ASSETS</b>	(21,779)
<b>NET ASSETS - BEGINNING</b>	<u>160,675</u>
<b>NET ASSETS - ENDING</b>	<u>\$138,896</u>

See accompanying notes and accountant's report.

**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana

**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2007

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$260,993
Customer deposit receipts, net	5,655
Payments to suppliers	(202,425)
Payments to employees and board	(41,395)
Net cash provided by operating activities	<u>22,828</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Principal paid on capital debt	(36,000)
Interest paid on capital debt	(22,900)
Purchases of capital assets	(3,500)
Decrease in restricted cash and investments	22,040
Net cash used by capital and related financing activities	<u>(40,360)</u>

**CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES**

DOTD grant	21,754
Line relocation expense	(21,745)
Net cash provided by non-capital and related financing activities	<u>9</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	7,193
Increase in investments	(2,137)
Net cash provided by investing activities	<u>5,056</u>

**NET DECREASE IN CASH**

(12,467)

**CASH AT BEGINNING OF YEAR**101,532**CASH AT END OF YEAR**\$89,065**Reconciliation of Operating Income to Net Cash****Provided by Operating Activities**

Operating Income (Loss)	<u>(\$6,081)</u>
Adjustments:	
Depreciation	16,982
Decrease in accounts receivable	722
Increase in accounts payable	5,557
Decrease in taxes payable	(7)
Increase in customer deposits	5,655
Total adjustments	<u>28,909</u>
Net cash provided by operating activities	<u>\$22,828</u>

See accompanying notes and accountant's report.

**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2007

**INTRODUCTION**

East Columbia Waterworks District was created by the Caldwell Parish Police Jury on September 6, 1949, as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the district. The district is governed by a six member board appointed by the police jury to serve five-year terms. East Columbia Waterworks District commissioners receive \$50 per meeting attended. The district serves approximately 977 customers and has two part-time employees.

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, East Columbia Waterworks District is considered a component unit of the Caldwell Parish Police Jury. As a component unit, the accompanying financial statements maybe 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's discussion and analysis (MD&A)
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5. Notes to the financial statements
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The East Columbia Waterworks District is a special-purpose government engaged only in business-type activities.

**EAST COLUMBIA WATERWORKS 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. East Columbia Waterworks District has elected not to follow subsequent private-sector guidance.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenues of East Columbia Waterworks District are water sales, installation fees, and other operating income. Operating expenses for enterprise funds include the costs of the services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C. Deposits and Investments**

Cash includes amounts in interest-bearing and non-interest bearing demand deposits. State law allows the district to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 2007, the district's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost.

**D. Receivables**

Receivables for water sales are shown net of an allowance for uncollectible amounts. The allowance is an estimate based on the amount of receivables that are collected in the month following the month billed. Grant receivable is considered fully collectible.

**EAST COLUMBIA WATERWORKS DISTRICT**  
**Notes to the Financial Statements**

**E. Restricted Assets**

Certain resources set aside for the repayment of revenue bonds are classified as restricted assets on the balance sheet because their use is limited by the debt agreement.

**F. Capital Assets**

Capital assets, which include land, the water system, and equipment are reported in the enterprise fund financial statements. All of the district's capital assets are capitalized at historical cost. The East Columbia Waterworks District maintains a threshold level of \$1,000 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 the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets, if any, is included as part of the capitalized value of the assets constructed.

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

	<u>Estimated Lives</u>
Infrastructure - Water system	25 years
Equipment	5-15 years

**G. Long-term Obligations**

Long-term debt such as revenue bonds payable are reported as liabilities in the statement of net assets.

**H. 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 revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. DEPOSITS IN FINANCIAL INSTITUTIONS**

At December 31, 2007, the district has cash and investments (book balances) as follows:

**EAST COLUMBIA WATERWORKS DISTRICT**  
**Notes to the Financial Statements**

Non-interest bearing checking accounts	\$89,065
Interest bearing savings accounts	100,647
Investments - certificates of deposit	<u>133,807</u>
<b>Total</b>	<b><u>\$323,519</u></b>

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 December 31, 2007, the East Columbia Waterworks District has \$386,534 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$251,027 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent bank has failed to pay deposited funds upon demand.

**3. RECEIVABLES**

At December 31, 2007, the district has net receivables of \$28,316 as follows:

Water sales	\$33,664
Allowance for uncollectible accounts	<u>(5,348)</u>
Net receivables	<u>\$28,316</u>

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2007, is as follows:

	Balance at January 1, 2007	Increases	Decreases	Balance at December 31, 2007
Capital assets not being depreciated:				
Land	<u>\$3,950</u>	<u>NONE</u>	<u>NONE</u>	<u>\$3,950</u>
Capital assets being depreciated:				

EAST COLUMBIA WATERWORKS DISTRICT  
Notes to the Financial Statements

	Balance at January 1, 2007	Increases	Decreases	Balance at December 31, 2007
Water system	\$1,666,884			\$1,666,884
Equipment	61,007	\$3,500		64,507
Total capital assets being depreciated	<u>1,727,891</u>	<u>3,500</u>	NONE	<u>1,731,391</u>
Less accumulated depreciation for:				
Water system	1,441,998	10,095		1,452,093
Equipment	23,101	6,887		29,988
Total accumulated depreciation	<u>1,465,099</u>	<u>16,982</u>	NONE	<u>1,482,081</u>
Total assets being depreciated, net	<u>\$262,792</u>	<u>(\$13,482)</u>	NONE	<u>\$249,310</u>

Depreciation expense of \$16,982 for the year ended December 31, 2007 was reported in the statement of revenues, expenses, and changes in net assets.

**5. LONG-TERM OBLIGATIONS**

The following is a summary of long-term debt (revenue bonds payable) transactions for the year ended December 31, 2007:

Revenue bonds payable at January 1, 2007	\$458,000
Additions	NONE
Reductions	<u>(36,000)</u>
Revenue bonds payable at December 31, 2007	<u>\$422,000</u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2007:

Current portion	\$37,000
Long-term portion	<u>385,000</u>
Total	<u>\$422,000</u>

All outstanding debt at December 31, 2007, in the amount of \$422,000 are revenue bonds payable with maturities from 2008 until 2020 and 5% interest rates. Loan principal and interest payable in the next fiscal year are \$37,000 and \$21,100 respectively. The individual bonds are as follows:

EAST COLUMBIA WATERWORKS DISTRICT  
Notes to the Financial Statements

	<u>\$337,000</u>	<u>\$646,300</u>
	Bonds	Bonds
Original issue date	5/23/73	7/29/81
Interest rate	5.00%	5.00%
Final payment due	1/1/13	1/1/20
Funding source	Water revenue	Water revenue

The loans are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2008	\$37,000	\$21,100	\$58,100
2009	38,000	19,250	57,250
2010	38,000	17,350	55,350
2011	39,000	15,450	54,450
2012	45,000	13,500	58,500
2013 - 2017	130,000	43,750	173,750
2018 - 2020	<u>95,000</u>	<u>9,750</u>	<u>104,750</u>
Total	<u>\$422,000</u>	<u>\$140,150</u>	<u>\$562,150</u>

**6. RESTRICTED NET ASSETS**

The bond covenants with the United States Department of Agriculture, Farmers Home Administration for the long-term revenue bonds discussed in note 5 above, requires the district to establish the following reserve accounts:

- A. A "Waterworks Revenue Bond and Interest Sinking Fund". The district must transfer into this fund each month, one-twelfth of the principal and one-sixth of the interest due on the next principal and interest payment dates. Such transfers will be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.
- B. A "Waterworks Reserve Note Fund". The district must transfer into this fund each month an amount equal to 5 percent of the amount to be paid into the Waterworks Revenue Bond and Interest Sinking Fund each month until there will have been accumulated in the Reserve Fund an amount equal to the maximum principal and interest requirements in any one maturity year. The maximum is \$60,250. Such amounts may be used only for the payment of

**EAST COLUMBIA WATERWORKS DISTRICT**  
Notes to the Financial Statements

maturing bonds and interest coupons for which sufficient funds are not on deposit in the Waterworks Revenue Bond and Interest Sinking Fund and as to which there would otherwise be default.

- C. A "Waterworks Depreciation Fund". The district must transfer \$242 into this fund each month. Money in this fund may be used for the making of extraordinary repairs or replacements to the system that are necessary to keep the system in operating condition and for which the money is not otherwise available. Money in this fund may be used to pay principal and interest on the bonds at any time there is not sufficient funds in the other bond funds.

At December 31, 2007, the district has set aside \$188,823 to meet the reserve requirements. These deposits are reported as restricted cash and investments on the district's statement of net assets.

**7. RISK MANAGEMENT**

The district purchases commercial insurance to reduce the risk of loss resulting from property damage 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.

**8. UTILITIES RELOCATION ASSISTANCE FUNDING**

During the year ended December 31, 2005, the district entered into two separate agreements with the Louisiana Department of Transportation and Development (DOTD) to relocate the district's water lines that were located within the limits of a road construction project. During 2007, the district received and disbursed \$21,754 in DOTD utilities relocation assistance funding. The agreements with DOTD provide that the water district is responsible for repaying \$692,953 of the funding received during 2005, 2006, and 2007. The agreement provides that the district may repay in partial amounts, in exchange for goods and/or services or any combination thereof. None of the funding has been repaid as of December 31, 2007.

**SUPPLEMENTAL INFORMATION SCHEDULES**

**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana

**SUPPLEMENTAL INFORMATION SCHEDULES**  
As of and For the Year Ended December 31, 2007

**COMPENSATION PAID COMMISSIONERS**

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 33:3819, East Columbia Waterworks District commissioners receive \$50 per meeting attended.

**STATUS OF PRIOR YEAR FINDINGS**

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2.

**CURRENT YEAR FINDINGS AND  
CORRECTIVE ACTION PLAN**

The corrective action plan for current year findings is presented in Schedule 3.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

SCHEDULE OF COMPENSATION PAID COMMISSIONERS  
For the Year Ended December 31, 2007

Shelby Cruse	\$600
Jerry Duff	600
Judith McKee	450
V. H. Osteen	600
Dale Powell	600
John Rider	600
John Slack	100
Total	<u>\$3,550</u>

See accountant's report.

**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana

**STATUS OF PRIOR YEAR FINDINGS**  
For the Year Ended December 31, 2007

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action</u>
Procedure 8(a)	2005	One disbursement was not adequately supported.	Yes	N/A
2005-2	2005	Customer payment reports not reconciled to bank deposits.	No	See Current Year Findings.
2005-3	2004	Inadequate Segregation of Accounting Duties	No	See Current Year Findings.

See accountant's report.

**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana

**CURRENT YEAR FINDINGS AND  
CORRECTIVE ACTION PLAN**  
For the Year Ended December 31, 2007

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
N/A	Customer payment reports are not reconciled to bank deposits.	A customer payment report will be printed for each batch of payments posted and the total of this report will be reconciled to the deposit slip for that batch.	Marva L. Gregory, Secretary- Treasurer	12/31/08
N/A	Inadequate Segregation of Accounting Duties	It is not economically feasible to correct this deficiency based on the size of the district.	Marva L. Gregory, Secretary- Treasurer	N/A

See accountant's report.

**Independent Accountant's Report on Applying  
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

*M. Carleen Damas*

**CERTIFIED PUBLIC ACCOUNTANT**

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**Independent Accountant's Report  
On Applying Agreed-Upon Procedures**

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EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the East Columbia Waterworks District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the district's compliance with certain laws and regulations during the year ended December 31, 2007 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I 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 materials and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

A review was made of all disbursements for the year. There were no disbursements for materials and supplies that exceeded \$20,000 nor any disbursements for public works exceeding \$100,000 made during the year.

**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 me with the required list including the noted information.

MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF THE SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

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

Management provided me with the required list.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) were included on the listing obtained from management in agreed-upon procedure (2) as an immediate family member.

**Budgeting**

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

The district is not legally required to adopt a budget.

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

See procedure 5.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

See procedure 5.

**Accounting and Reporting**

8. Randomly select 6 disbursements made during the period under examination and;
  - (a) trace payments to supporting documentation as to correct amount and payee;
  - (b) determine if payments were properly coded to the correct fund and general ledger account;
  - (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

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- (a) The six selected disbursements were properly supported by adequate documentation.
- (b) The six selected payments were properly coded to the correct fund and general ledger account.
- (c) The six selected payments received approval from the proper authorities.

**Meetings**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the opening meetings law).

The public notices for meetings were posted as required by LSA-RS 42:7.

**Debt**

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 indebtedness.

I examined all deposits for the period under examination and noted no proceeds that appeared to be from bank loans, bonds, or like indebtedness.

**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 meetings and an examination of payroll records indicated no payments which may constitute bonuses, advances, or gifts.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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**This report is intended solely for the use of management of the East Columbia Waterworks District and the Legislative Auditor, State of Louisiana, and is not intended to be 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 purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.**

**/s Carleen Dumas  
Calhoun, Louisiana  
February 15, 2008**

## **Louisiana Attestation Questionnaire**

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*.

M. Carleen Dumas, CPA  
369 Donaldson Road  
Calhoun, LA 71225

Mrs. Dumas,

In connection with your review of our financial statements as of December 31, 2007 and for the year then ended, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on information available to us as of \_\_\_\_\_.

#### **PUBLIC BID LAW**

1. It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [ X ] No [ ] N/A [ ]

#### **CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1101-1124.

Yes [ X ] No [ ] N/A [ ]

3. It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980 under circumstances which would constitute a violation of LSA-RS 42:1119.

Yes [ X ] No [ ] N/A [ ]

#### **BUDGETING**

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [ X ] No [ ] N/A [ ]

## ACCOUNTING AND REPORTING

5. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [ X ] No [ ] N/A [ ]

6. We have filed our annual financial statements in accordance with LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable.

Yes [ X ] No [ ] N/A [ ]

7. We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [ X ] No [ ] N/A [ ]

## MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes [ X ] No [ ] N/A [ ]

## DEBT

9. It is true that we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60 - 1410.65.

Yes [ X ] No [ ] N/A [ ]

## ADVANCES AND BONUSES

10. It is true that we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [ X ] No [ ] N/A [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

