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SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
RAPIDES PARISH POLICE JURY
Alexandria, Louisiana

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 1998 AND DECEMBER 31, 1999
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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 08-30-00

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
RAPIDES PARISH POLICE JURY
Alexandria, Louisiana

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INDEPENDENT AUDITOR'S REPORT

BOARD OF COMMISSIONERS
SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
RAPIDES PARISH POLICE JURY
Alexandria, Louisiana

I have audited the accompanying financial statements of Sewerage District No. 1 of Rapides Parish, a component unit of the Rapides Parish Police Jury, as of and for the years ended December 31, 1998 and 1999, as listed in the forgoing table of contents. These financial statements are the responsibility of management of the district. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and generally accepted governmental auditing standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sewerage District No. 1 of Rapides Parish at December 31, 1998 and 1999, and the results of operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 26, 2000, on my consideration of the internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts, and grants.

MEMBER

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

My audit was made for the purposed of forming an opinion on the financial statements. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of Sewerage District No. 1 of Rapides Parish. Such information has been subjected to the procedures applied in the audit of the financial statements and in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.


Bruce H Stagg CPA

June 26, 2000

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
 RAPIDES PARISH POLICE JURY
 Alexandria, Louisiana

ALL FUND TYPES

COMBINED BALANCE SHEET
 December 31, 1998 AND 1999

	1998				1999			
	GOVERNMENTAL		PROPRIETARY		GOVERNMENTAL		PROPRIETARY	
	FUND TYPE- DEBT SERVICE FUNDS	FUND TYPE- ENTERPRISE FUND	FUND TYPE- DEBT SERVICE FUNDS	FUND TYPE- ENTERPRISE FUND	FUND TYPE- DEBT SERVICE FUNDS	FUND TYPE- ENTERPRISE FUND	FUND TYPE- DEBT SERVICE FUNDS	FUND TYPE- ENTERPRISE FUND
ASSETS:								
Cash and cash equivalents	\$ 35,709	\$ 605,672	\$ 38,396	\$ 553,467	\$ 38,396	\$ 553,467	\$ 591,863	\$ 591,863
Receivables:								
Accounts (net)	-	9,487	-	8,096	-	8,096	-	8,096
Special Assessments	88,048	4,110	87,129	29,369	87,129	29,369	116,498	116,498
Interfund	-	69,857	-	69,857	-	69,857	-	69,857
Accrued interest	-	2,497	-	3,528	-	3,528	-	3,528
Fixed Assets (net)	-	1,832,934	-	1,877,516	-	1,877,516	-	1,877,516
TOTAL ASSETS	\$ 123,757	\$ 2,524,557	\$ 125,525	\$ 2,541,833	\$ 125,525	\$ 2,541,833	\$ 2,667,358	\$ 2,667,358
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 69,857	\$ 2,709	\$ 69,857	\$ 2,709	\$ 72,566	\$ 72,566
Interfund payable	69,857	-	-	-	-	-	-	-
Deposits payable	-	6,719	-	7,776	-	7,776	-	7,776
Deferred revenues	-	4,357	-	4,697	-	4,697	-	4,697
Total Liabilities	\$ 69,857	\$ 11,076	\$ 69,857	\$ 15,182	\$ 69,857	\$ 15,182	\$ 85,039	\$ 85,039
Fund Equity:								
Contributed capital	\$ -	\$ 1,063,355	\$ -	\$ 1,117,412	\$ -	\$ 1,117,412	\$ 1,117,412	\$ 1,117,412
Retained earnings	-	1,450,126	-	1,409,239	-	1,409,239	-	1,409,239
Fund balance-unreserved-undesignated	53,900	-	55,668	-	55,668	-	55,668	55,668
Total Fund Equity	\$ 53,900	\$ 2,513,481	\$ 55,668	\$ 2,526,651	\$ 55,668	\$ 2,526,651	\$ 2,582,319	\$ 2,582,319
TOTAL LIABILITIES AND FUND EQUITY	\$ 123,757	\$ 2,524,557	\$ 125,525	\$ 2,541,833	\$ 125,525	\$ 2,541,833	\$ 2,667,358	\$ 2,667,358

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
RAPIDES PARISH POLICE JURY
Alexandria, Louisiana

Statement B

GOVERNMENTAL FUND TYPE - DEBT SERVICE FUNDS

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Years Ended December 31, 1998 and 1999

	<u>1998</u>	<u>1999</u>
<u>REVENUES</u>		
Special assessments, penalties, and interest	\$ -	\$ 1,768
<u>EXPENDITURES</u>	-	-
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	\$ -	\$ 1,768
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	\$ -	\$ 53,900
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ 55,668</u>

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
 RAPIDES PARISH POLICE JURY
 Alexandria, Louisiana
 PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement C

Statement of Revenues, Expenditures, and Changes in Retained Earnings
 For the Years Ended December 31, 1998 and 1999

	<u>1998</u>	<u>1999</u>
<u>OPERATING REVENUES</u>		
Sewerage service and tap fees	\$ 169,246	\$ 174,527
<u>EXPENSES</u>		
Public works-sanitation-sewerage collection and disposal:		
Current:		
Personal service - per diem	\$ 5,160	\$ 5,220
Operating service	173,090	201,178
Material and supplies	2,710	3,746
Depreciation	78,387	80,004
Total operating expenses	\$ 259,347	\$ 290,148
<u>OPERATING INCOME (LOSS)</u>	<u>\$ (90,101)</u>	<u>\$ (115,621)</u>
<u>NONOPERATING REVENUES</u>		
Interest earnings	28,845	22,798
Special assessments and interest	57	422
Total nonoperating revenues	\$ 28,902	\$ 23,220
<u>NET INCOME (LOSS)</u>	<u>\$ (61,199)</u>	<u>\$ (92,401)</u>
<u>ADD DEPRECIATION OF FIXED ASSETS ACQUIRED WITH CONTRIBUTED CAPITAL</u>		
	<u>50,074</u>	<u>51,514</u>
<u>NET INCREASE (DECREASE) IN RETAINED EARNINGS</u>	<u>\$ (11,125)</u>	<u>\$ (40,887)</u>
<u>RETAINED EARNINGS AT BEGINNING OF YEAR</u>	<u>\$ 1,461,251</u>	<u>\$ 1,450,126</u>
<u>RETAINED EARNINGS AT END OF YEAR</u>	<u>\$ 1,450,126</u>	<u>\$ 1,409,239</u>

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
RAPIDES PARISH POLICE JURY
Alexandria, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement D

Statement of Cash Flows
For the Years Ended December 31, 1998 and 1999

	<u>1998</u>	<u>1999</u>
Cash flows from operating activities:		
Cash from operating revenues	\$ 173,622	\$ 176,258
Cash for operating expenses	<u>180,960</u>	<u>210,144</u>
Net cash provided (required) by operating activities	<u>\$ (7,338)</u>	<u>\$ (33,886)</u>
 Cash flows from non capital financing activities		
Special assessments and interest	\$ 2,446	\$ 12,734
Increase(decrease) in customer deposits	<u>1,039</u>	<u>1,057</u>
Net cash provided(used) by non capital financing activities	<u>\$ 3,485</u>	<u>\$ 13,791</u>
 Cash flows from capital and related financing activities		
Extentions and improvements to sewer systems	\$ -	\$ (124,586)
Contributions to systems	-	68,000
Increase in contracts payable	<u>-</u>	<u>2,709</u>
Net cash provided(used) by capital and related activities	<u>\$ -</u>	<u>\$ (53,877)</u>
 Cash flows from investing activities		
Interest on investments	28,845	22,798
(Increase)decrease in accrued interest	<u>(2,497)</u>	<u>(1,031)</u>
Net cash provided(used) by investment activities	<u>\$ 26,348</u>	<u>\$ 21,767</u>
 Net increase (decrease) in cash and equivalents	\$ 22,495	\$ (52,205)
 Cash and equivalents at beginning of year	<u>\$ 583,177</u>	<u>\$ 605,672</u>
 Cash and equivalents at end of year	<u>\$ 605,672</u>	<u>\$ 553,467</u>
 Reconciliation of operating income (loss) to net cash provided (required) by operating activities		
Operating income (loss)	<u>\$ (90,101)</u>	<u>\$ (115,621)</u>
 Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	\$ 78,387	\$ 80,004
Change in assets and liabilities:		
(Increase) decrease in receivables	3,535	1,391
Increase (decrease) in deferred revenues	<u>841</u>	<u>340</u>
Total adjustments	<u>\$ 82,763</u>	<u>\$ 81,735</u>
 Net Cash provided (required) by operating activities	<u>\$ (7,338)</u>	<u>\$ (33,886)</u>

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
RAPIDES PARISH POLICE JURY
Alexandria, Louisiana
Notes to the Financial Statements
As of and for the Years Ended December 31, 1998 and 1999

INTRODUCTION

Sewerage District No. 1 of Rapides Parish was created by the Rapides Parish Police Jury under the authority of Louisiana Revised Statutes 33:3881. The sewerage district is governed by a three-member board appointed by the police jury. The sewerage district maintains and operates the sewerage system within the boundaries of the district. At December 31, 1999, the district has approximately 1,073 customers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the district have been prepared in conformity with general 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 Rapides Parish Police Jury is the financial reporting entity for Rapides 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.

Governmental Accounting Standards Board Statements No. 14 established criteria for determining which component units should be considered part of the Rapides Parish Police Jury for financial reporting purposes. The basic criterion 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. These criteria include:

1. Appointing a voting majority of an organization's governing body,
and

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
RAPIDES PARISH POLICE JURY
Alexandria, Louisiana
Notes to the Financial Statements
As of and for the Years Ended December 31, 1998 and 1999
(Continued)

- 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 fiscally 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 police jury has the ability to impose its will on the district and there exists the potential for the district to provide specific financial benefits to or impose specific financial burdens on the police jury, the district was determined to be a component unit of the Rapides 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 service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The district is organized and operated on a fund basis whereby a self-balancing set of accounts is maintained that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriated. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and means by which spending activities are controlled. The funds presented in the financial statements are described as follows

DEBT SERVICE FUNDS

The debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs of sewerage certificates.

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
RAPIDES PARISH POLICE JURY
Alexandria, Louisiana
Notes to the Financial Statements
As of and for the Years Ended December 31, 1998 and 1999
(Continued)

ENTERPRISE FUND

The Enterprise Fund accounts for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis be financed primarily through user fees.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund type (debt service 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. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the debt service funds. The debt service funds use the following practices in recording revenues and expenditures

Revenues

At the time of levy, a special assessment receivable is recognized and it offset by deferred revenues; as the assessments become measurable and available, deferred revenues are reduced and revenue is recognized. In addition, interest earned on special assessments is accrued when due, rather than when earned, because it offsets the related interest expenditures that are also recognized when due; penalties on delinquent assessments are recognized when the district is entitled to the funds.

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 the fund are 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 the liability is incurred.

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
RAPIDES PARISH POLICE JURY
Alexandria, Louisiana
Notes to the Financial Statements
As of and for the Years Ended December 31, 1998 and 1999
(Continued)

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit accounts. Cash equivalents include amounts in time deposits and other short-term investments. Under state law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with fiscal agent banks organized under the laws of the State of Louisiana and national banks having their principal offices in Louisiana.

Under State law, the district may invest in United States Bonds, Treasury notes, Bills or Certificates. These investments, stated at cost are classified as cash equivalents if their original due dates are 90 days or less.

F. FIXED ASSETS AND LONG TERM LIABILITIES

Fixed assets and accumulated depreciation of the district are included on the balance sheet of the Enterprise Fund. Fixed assets are valued at historical or fair market value at the time of donation. Depreciation of all exhaustible fixed assets are charged as an expense against operations. Accumulated depreciation is reported in the Enterprise Fund balance sheet. Depreciation is computed using the straight-line method over the estimated useful life (45 years) of the sewerage system and (5 years) equipment. The sewerage district has no long-term liabilities.

G. FUND EQUITY – CONTRIBUTED CAPITAL

Contributed capital represents sewerage facilities donated by developers and the Rapides Parish Police Jury. Contributed capital is amortized based on the depreciation recognized on the related capital assets. Depreciation is closed to the contributed capital account and is reflected as an adjustment to the net income/(loss) on Statement C.

H. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidations.

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
 RAPIDES PARISH POLICE JURY
 Alexandria, Louisiana
 Notes to the Financial Statements
 As of and for the Years Ended December 31, 1998 and 1999
 (Continued)

2. CASH AND EQUIVALENTS

At December 31, 1998 and 1999, respectfully the district has cash and cash equivalents (book balances) as follows:

	<u>1998</u>	<u>1999</u>
Petty Cash	\$ 100	\$ 100
Demand deposits	19,572	13,060
Money market accounts	229,532	95,487
Treasury bills	<u>356,468</u>	<u>444,820</u>
Total	<u>\$605,672</u>	<u>\$553,467</u>

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. Cash (bank balances) totaling \$255,066 at December 31, 1998 and \$113,358 at December 31, 1999, respectfully are entirely insured by federal deposit insurance or by securities pledged by the bank (GASB Category 1).

Under state law and in accordance with the district's investment policy, cash equivalents totaling \$356,468 at December 31, 1998 and \$444,820 at December 31, 1999 are comprised of United States Treasury Bills. Since these treasury bills are obligations of Federal government and are being held by the broker dealer in the name of the district, they are considered insured and registered (GASB Category 1).

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
RAPIDES PARISH POLICE JURY
Alexandria, Louisiana
Notes to the Financial Statements
As of and for the Years Ended December 31, 1998 and 1999
(Continued)

3. FIXED ASSETS

A summary of fixed assets and related depreciation at December 31, 1998 and 1999, follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land 1998 & 1999	\$ 28,570	\$ -	\$ 28,570
Equipment 1998 & 1999	3,000	3,000	-
Sewerage system			
1998	3,527,425	1,723,061	1,804,364
1999	3,652,011	1,803,065	1,848,946

4. INTERFUND RECEIVABLES/PAYABLES

Interfund assets and liabilities at December 31, 1998 and 1999, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	1998 & 1999 <u>Amount</u>
Enterprise	Penny Acres Debt Service	\$ 63,057
Enterprise	Samtown-Woodside Debt Service	<u>6,800</u>
Total		<u>\$69,857</u>

The interfund receivables/payables resulted from prior year advances from the Enterprise Fund to the Debt Service Funds to provide funding for payment of the sewerage certificates of the system.

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
 RAPIDES PARISH POLICE JURY
 Alexandria, Louisiana
 Notes to the Financial Statements
 As of and for the Years Ended December 31, 1998 and 1999
 (Continued)

5. CONTRIBUTED CAPITAL

A summary of changes, and the effects of the changes, in contributed capital follows:

	<u>1998</u>	<u>1999</u>
Additions	\$ -	\$ 105,571
Deductions:		
Depreciation charged		
Against contributions	50,074	51,514
Contributed Capital:		
Beginning of Year	<u>1,113,429</u>	<u>1,063,355</u>
End of Year	<u>\$1,063,355</u>	<u>\$1,117,412</u>

6. FUND DEFICIT

Penny Acres Debt Service Fund has a deficit of \$1,994, in unreserved-undesignated fund balance at December 31, 1999. This deficit will be eliminated with an operating transfer from the Enterprise Fund.

7. SPECIAL ASSESSMENTS

The special assessments of the Governmental Fund Type – Debt Service Fund totaling \$88,048 at December 31, 1998 and \$87,129 at December 31, 1999 are delinquent and have been referred to legal counsel for collection. The district’s legal counsel has initiated legal action against the property owners and is in the process of collecting the delinquent assessments. During 1999, approximately \$2,687 of special assessment principal, penalties, and interest was collected. There were no collections during 1998.

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
RAPIDES PARISH POLICE JURY
Alexandria, Louisiana
Notes to the Financial Statements
As of and for the Years Ended December 31, 1998 and 1999
(Continued)

8. RISK MANAGEMENT

The district is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

The district has obtained commercial insurance for the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
RAPIDES PARISH POLICE JURY
Alexandria, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Years Ended December 31, 1998 and 1999

DEBT SERVICE FUND

PENNY ACRES FUND—accumulates monies for payment of principal, interest, and fees relating to the sewerage certificates issued by the district on behalf of the residents of the Penny Acres Subdivision. The proceeds of the sewerage certificates were used to acquire, construct, improve, and extend a sewerage system in the subdivision. The certificates are financed by special assessments levied by the sewerage district on property owners within the subdivision. The certificates were completely repaid in 1988.

SAMTOWN-WOODSIDE FUND—accumulates monies for payment of principal, interest, and fees relating to the sewerage certificates issued by the district on behalf of the residents of the Samtown-Woodside area. . The proceeds of the sewerage certificates were used to construct a sewerage system in the Samtown-Woodside area of the district. The certificates are financed by special assessments levied by the sewerage district on property owners within the area. The certificates were completely repaid in 1986

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
 RAPIDES PARISH POLICE JURY
 Alexandria, Louisiana
 GOVERNMENTAL FUND TYPE - DEBT SERVICE FUNDS

Combining Balance Sheet
 December 31, 1998 AND 1999

	1998		1999			
	PENNY ACRES	SAMTOWN- WOODSIDE	TOTAL	PENNY ACRES	SAMTOWN- WOODSIDE	TOTAL
ASSETS						
Cash	\$ 4,423	\$ 31,286	\$ 35,709	\$ 4,423	\$ 33,973	\$ 38,396
Receivables - special assessments	383	87,665	88,048	383	86,746	87,129
TOTAL ASSETS	\$ 4,806	\$ 118,951	\$ 123,757	\$ 4,806	\$ 120,719	\$ 125,525
LIABILITIES AND FUND EQUITY						
Liabilities - Interfund payable	\$ 6,800	\$ 63,057	\$ 69,857	\$ 6,800	\$ 63,057	\$ 69,857
Fund equity - fund balances (deficit) - unreserved/undesignated	(1,994)	55,894	53,900	(1,994)	57,662	55,668
TOTAL LIABILITIES AND FUND EQUITY	\$ 4,806	\$ 118,951	\$ 123,757	\$ 4,806	\$ 120,719	\$ 125,525

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
 RAPIDES PARISH POLICE JURY
 Alexandria, Louisiana
 GOVERNMENTAL FUND TYPE - DEBT SERVICE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Years Ended December 31, 1998 and 1999

	1998			1999		
	Penny Acres	Santown- Woodside	Total	Penny Acres	Santown- Woodside	Total
REVENUES						
Special assessments, penalties, and interest	\$ -	\$ -	\$ -	\$ -	\$ 1,768	\$ 1,768
EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ 1,768	\$ 1,768
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	-	-	-	(1,994)	55,894	53,900
FUND BALANCE (DEFICIT) AT END OF YEAR	-	-	-	\$ (1,994)	\$ 57,662	\$ 55,668

SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
 RAPIDES PARISH POLICE JURY
Alexandria, Louisiana
 SUPPLEMENTAL INFORMATION SCHEDULE
 For the Years Ended December 31, 1998 and 1999

PER DIEM PAID BOARD MEMBERS

The schedule of per diem paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of Louisiana Legislature.

In accordance with Louisiana Revised Statute 33:3887, each board member is to receive a maximum per diem of \$60 for each board meeting they attend, not to exceed 24 regular and 12 special meetings per year.

Schedule 3

Schedule of Per Diem Paid Board Members
 For the Years Ended December 31, 1998 and 1999

	<u>1998</u>		<u>1999</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
Ubie Johnson	29	\$1,740	30	\$1,800
Jimmie Jeansonne	29	1,740	31	1,860
Leon Blalock	28	1,680	9	540
Bob Wooley	0	-	17	<u>1,020</u>
Total		<u>\$5,160</u>		<u>\$5,220</u>

**Independent Auditor's Reports Required
By Government Auditing Standards**

The following independent auditor's reports on internal control and compliance are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

BOARD OF COMMISSIONERS
SEWERAGE DISTRICT NO. 1 OF RAPIDES PARISH
RAPIDES PARISH POLICE JURY
Alexandria, Louisiana

I have audited the financial statements of the Sewerage District No. 1 of Rapides Parish, a component unit of the Rapides Parish Police Jury, as of and for the years ended December 31, 1998 and 1999, and have issued my report thereon dated June 26, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

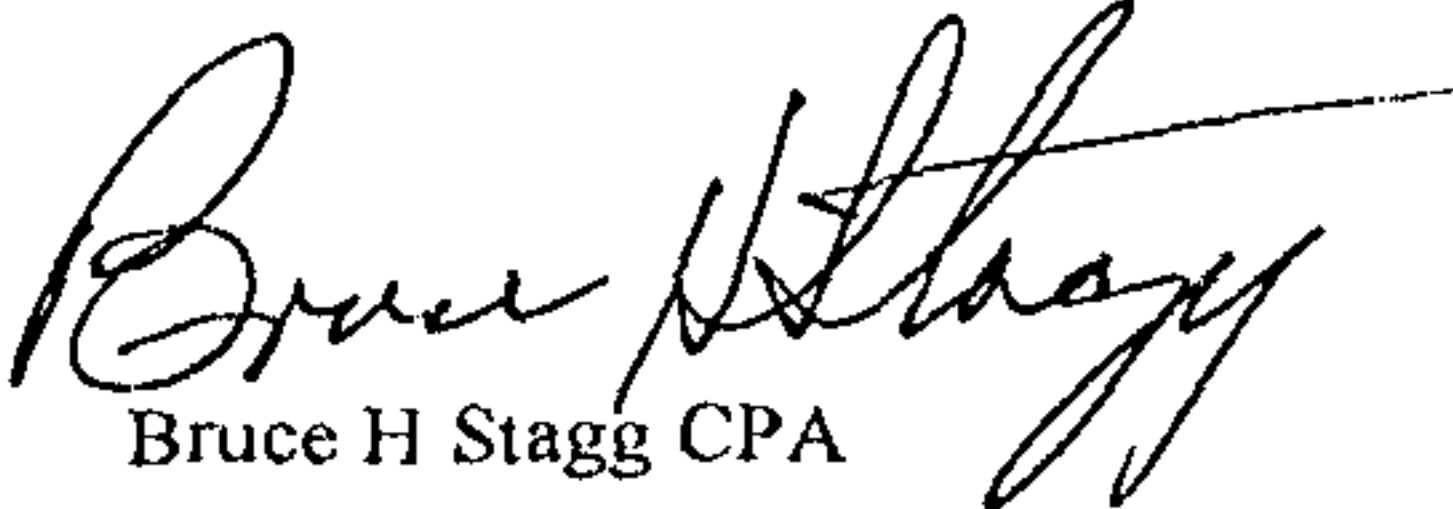
A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level that risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weakness.

Prior Audit Findings

The audit for the year ended December 31, 1997, disclosed no instances of noncompliance that were required to be reported under *Government Auditing Standards* or matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses.

General

This report is intended for the information of the Sewerage District No. 1 of Rapides Parish. However, this report is a matter of public record and its distribution is not limited.


Bruce H Stagg CPA

June 26, 2000