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**LaSalle Sewerage District No. 1
LaSalle Parish Police Jury**

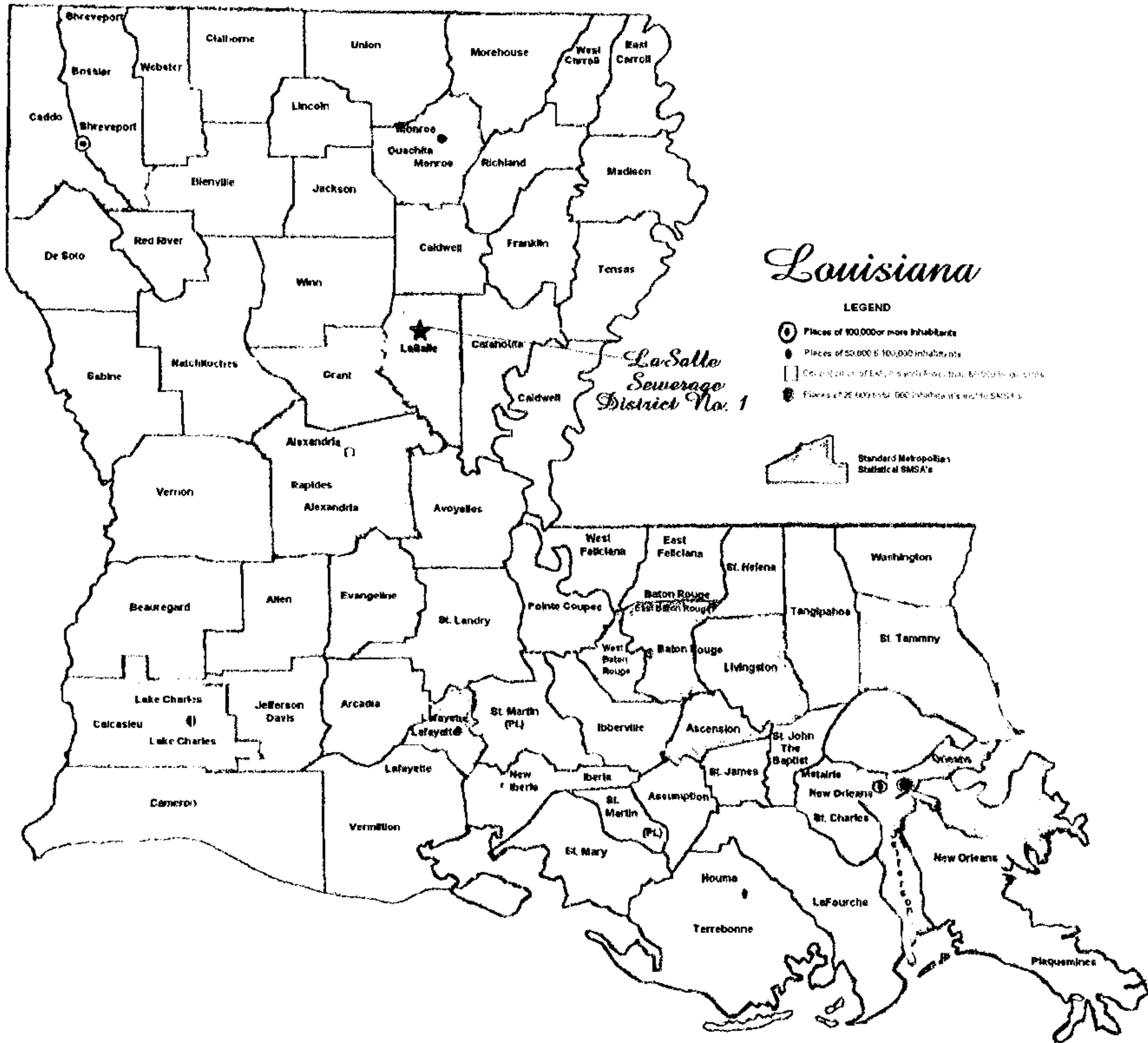
*COMPONENT UNIT FINANCIAL STATEMENTS
COMBINING & INDIVIDUAL FUNDS,
ACCOUNT GROUP STATEMENTS, SCHEDULES
& GRAPHS*

December 31, 1999

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 MAY 3 1 2000

LASALLE SEWERAGE DISTRICT NO. 1
TROUT, LA. 71371



*** LaSalle Sewerage District No. 1**

LaSalle Sewerage District No. 1 was created by the LaSalle Parish Police Jury, as authorized by Louisiana Revised Statute 33:4562. The Sewerage District is administered by a board of three commissioners who are appointed by the LaSalle Parish Police Jury. The district owns and operates sewerage facilities and engages in activities designed to provide sewerage disposal to the Trout, Goodpine and Midway Communities.

*LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY
JENA, LA.*

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JOHN R. VERCHER PC

Certified Public Accountant

P.O. Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

INDEPENDENT AUDITOR'S REPORT ON THE COMPONENT UNIT FINANCIAL STATEMENTS

Members of the Board
LaSalle Parish Sewerage District No. 1
PO Box 1
Trout, Louisiana 71371

I have audited the accompanying component unit financial statements of the LaSalle Sewerage District No. 1, LaSalle Parish, Louisiana, a component unit of the LaSalle Parish Police Jury, as of and for the year ended December 31, 1999 as listed in the table of contents. These financial statements are the responsibility of the LaSalle Parish Sewerage District No. 1, LaSalle Parish, Louisiana's, management. 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 *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.

I was unable to determine what effect, if any, the year 2000 will have on the District's computer system or what effect it will have on the District's financial condition.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to satisfy myself as to the effects of the year 2000 question as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the LaSalle Parish Sewerage District No. 1 as of and for the year ended December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The other supplementary information, comparative 1998 information, and the graphs listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the LaSalle Parish Sewerage District No. 1, LaSalle Parish, Louisiana. Such information, except for that portion marked "unaudited" on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 28, 2000, on my consideration of LaSalle Sewerage District No. 1, LaSalle Parish, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the component unit financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the component unit financial statements of LaSalle Sewerage District No. 1, LaSalle Parish, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the component unit financial statements taken as a whole.

Jena, Louisiana

February 28, 2000

John R. Vercher

JOHN R. VERCHER PC

Certified Public Accountant

P.O.Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

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

Members of the Board
LaSalle Parish Sewerage District No. 1
PO Box 1
Trout, Louisiana 71371

I have audited the component unit financial statements of the LaSalle Parish Sewerage District No. 1, LaSalle Parish, Louisiana, as of and for the year ended December 31, 1999, and have issued my report thereon dated February 28, 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 LaSalle Parish Sewerage District No. 1, LaSalle Parish, Louisiana, 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 Standard*, except as shown below and discussed in "Schedule of Findings and Questioned Costs".

- **99-C-1 Loans Without Bond Commission Approval**

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the LaSalle Parish Sewerage District No. 1, LaSalle Parish, Louisiana's 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 the 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 weaknesses.

I have discussed other recommendations in a separate letter entitled "Management Letter Comments".

This report is intended solely for the information and use of management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Jena, Louisiana
February 28, 2000

John R. Vercher

LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUP
DECEMBER 31, 1999

	SYSTEM REVENUE FUND	DEBT SERVICE FUND	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash	\$ 26,543	\$ 15,558	\$ -0-	\$ 42,101
Restricted Cash (Note 3)	173,559	-0-	-0-	173,559
Current Receivables (Note 4)	49,440	16,151	-0-	65,591
Fixed Assets (Note 6)	2,034,505	-0-	-0-	2,034,505
Amount Available in Debt Service	-0-	-0-	31,709	31,709
Amount to be Provided for Retirement Of Long-Term Debt from Future Revenue	-0-	-0-	62,786	62,786
Total	\$ 2,284,047	\$ 31,709	\$ 94,495	\$ 2,410,251
LIABILITIES AND FUND EQUITY				
Accounts Payable	\$ 6,790	\$ -0-	\$ -0-	\$ 6,790
Payable from Restricted Assets:				
Accrued Interest	38,359	-0-	-0-	38,359
Refundable Deposits	14,708	-0-	-0-	14,708
Current Revenue Bonds	24,865	-0-	-0-	24,865
Deductions Payable from Ad Valorem Taxes:				
Retirement System	992	496	-0-	1,488
Notes Payable	28,940	-0-	-0-	28,940
Bonds Payable:				
Revenue Bonds	993,382	-0-	-0-	993,382
G.O. Bonds	-0-	-0-	94,495	94,495
Total Liabilities	\$ 1,108,036	\$ 496	\$ 94,495	\$ 1,203,027
Retained Earnings Reserved For Bond Contingency	\$ 75,186	\$ -0-	\$ -0-	\$ 75,186
Retained Earnings Reserved For Debt Service	74,059	-0-	-0-	74,059
Retained Earnings Unreserved	(611,373)	-0-	-0-	(611,373)
Total Retained Earnings	\$ (462,128)	-0-	\$ -0-	\$ (462,128)
Contributed Capital	\$ 1,638,139	\$ -0-	\$ -0-	\$ 1,638,139
Fund Balance	-0-	31,213	-0-	31,213
Total Fund Equity	\$ 1,202,055	\$ 31,213	\$ -0-	\$ 1,207,224
Total Liability and Equity	\$ 2,284,047	\$ 31,709	\$ 99,757	\$ 2,410,251

The notes to the financial statements are an integral part of this statement.

LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY

Comparative Statement of Revenues, Expenses and Changes in Retained Earnings
With Unaudited 1998 Data
For the Years Ended December 31, 1999 and December 31, 1998

	<u>1999</u>	<u>"Unaudited"</u> <u>1998</u>
<u>Revenue</u>		
Service Charge	\$ 211,786	\$ 216,034
Ad Valorem Tax	34,770	32,581
Miscellaneous	337	1,440
Grant Income	-0-	30,686
	<u>\$ 246,893</u>	<u>\$ 280,741</u>
<u>Expenses</u>		
Salaries	\$ 38,111	\$ 36,936
Office Supplies and Expenses	2,464	1,324
Deduction From Ad Valorem Tax For Retirement System	992	905
Insurance	11,528	18,060
Utilities	9,403	10,047
Supplies	24,412	15,079
Maintenance and Repair	13,520	10,440
Truck Expense	2,471	2,271
Sewer Treatment	51,501	48,089
Depreciation	71,645	69,585
Official Journal	187	225
Professional Fees	2,768	1,720
Miscellaneous	-0-	268
	<u>\$ 229,002</u>	<u>\$ 214,949</u>
Operating Income (Loss)	<u>\$ 17,891</u>	<u>\$ 65,792</u>
Non-Operating Revenue (Expenses)		
Interest Income	\$ 4,883	\$ 5,066
Interest Expense	(48,818)	(53,831)
	<u>\$ (43,935)</u>	<u>\$ (48,765)</u>
Net Income/(Loss)	\$ (26,044)	\$ 17,027
Retained Earnings Beginning of Year	(436,084)	(453,111)
Retained Earnings End of Year	<u>\$ (462,128)</u>	<u>\$ (436,084)</u>

The notes to the financial statements are an integral part of this statement.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
 LASALLE PARISH POLICE JURY
 DEBT SERVICE**

*Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
 With Unaudited 1998 Data
 For the Years Ended December 31, 1999 and December 31, 1998*

	1999	"Unaudited" 1998
<u>Revenue</u>		
Ad Valorem Tax	\$ 13,651	\$ 15,159
Total Revenue	\$ 13,651	\$ 15,159
<u>Expenditures</u>		
Bonds Paid	\$ 5,262	\$ 5,202
Bonds Interest Paid	4,988	5,248
Pension Fund	496	-0-
Miscellaneous	12	-0-
Total Expenditures	\$ 10,758	\$ 10,450
Excess of Revenues Over (Under) Expenditures	\$ 2,893	\$ 4,709
Fund Balance at Beginning of Year	28,320	23,611
Fund Balance End of Year	\$ 31,213	\$ 28,320

The notes to the financial statements are an integral part of this statement.

LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY
SYSTEM REVENUE FUND
PROPRIETARY FUND

*Comparative Statement of Cash Flows
With Unaudited 1998 Data
For the Years Ended December 31, 1999 and December 31, 1998*

	1999	"Unaudited" 1998
Cash from Operations:		
Net Income	\$ (26,044)	\$ 17,027
Adjustments to Net Income (Loss):		
Add – Depreciation	\$ 71,645	\$ 69,585
Increase (Decrease) in Other Taxes	87	167
Increase (Decrease) in Allowance for Bad Debts	44	(217)
Decrease (Increase) in Accounts Receivable	(3,791)	(2,413)
Increase (Decrease) in Accrued Expenses	(1,065)	(855)
Increase (Decrease) in Accounts Payable	(6,810)	(1,406)
Increase (Decrease) in Notes Payable	15,106	13,834
Total Adjustments	\$ 75,216	\$ 78,695
Cash Provided From Operations	\$ 49,172	\$ 95,722
Cash Provided by Customer Deposits	1,428	755
Total Cash Provided	\$ 50,600	\$ 96,477
Cash Was Applied To:		
Revenue Bonds Payable	\$ (27,756)	\$ (23,030)
Restricted Assets	(9,090)	(13,234)
Fixed Assets	(20,434)	\$ (50,545)
Total Cash Applied	\$ (57,280)	\$ (86,809)
Increase (Decrease) in Cash Flow	(6,680)	9,668
Cash Beginning of Year	33,223	23,555
Cash End of Year	\$ 26,543	\$ 33,223

The notes to the financial statements are an integral part of this statement.

*Notes to
Financial Statements*

LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

LaSalle Sewerage District No. 1 was created by the LaSalle Parish Police Jury, as authorized by Louisiana Revised Statute 33:4562. The Sewerage District is administered by a board of three commissioners who are appointed by the LaSalle Parish Police Jury. The district owns and operates sewerage facilities and engages in activities designed to provide sewerage disposal to the Trout, Goodpine and Midway Communities.

For financial reporting purposes the District is a component unit of the LaSalle Parish Police Jury, the governing body of the parish. The accompanying financial statements present financial information only on the funds and account groups maintained by LaSalle Sewerage District No. 1 and do not present information on the Police Jury and the general government services provided by that governmental unit or any of its other component units.

A. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Governmental Funds-

The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Proprietary Funds-

The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges: or (b) where the governing body has decided that periodic determinations of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

B. LONG-TERM LIABILITIES

The accounting and reporting treatment applied to long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increase (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY**

**Notes to Financial Statements
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT.)

B. LONG-TERM LIABILITIES - (CONT.)

Long-term liabilities expected to be financed from governmental funds are accounted for in the *General Long-Term Debt Account Group, not in governmental funds.*

The account group is not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

C. GENERAL

All proprietary funds are accounted for on a cost of service or "capital maintenance" measurement focus. This means all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net of total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on useful lives using the straight-line method. The estimated useful lives follows:

Sewer System	50 Years
Miscellaneous Equipment	8 Years

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liabilities are incurred, except that principal and interest on general long-term debt is recognized as an expenditure when due.

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

E. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the Combined Statement are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY**

**Notes to Financial Statements
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT.)

F. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenses during the reporting period. Actual results could differ from those estimates.

G. BUDGETS AND BUDETARY ACCOUNTING

The only fund the District uses is a proprietary fund, therefore there is no budget prepared.

H. ENCUMBRANCES

The District does not utilize encumbrance accounting.

I. CASH AND INVESTMENTS

Deposits

It is the District's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The District's deposits are categorized to give an indication of the level of risk assumed by the District at year end. The categories are describes as follows:

- *Category 1* -- Insured or collateralized with securities held by the District or by its agent in the District's name.
- *Category 2* -- Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- *Category 3* -- Uncollateralized.

	Book Balance 12/31/99
Southern Heritage Bank	\$ 216,013
Secured as Follows:	
FDIC (<i>Category - 1</i>)	\$ 100,000
Rapides Parish School District (<i>Category - 2</i>)	66,863
Lafayette Parish PH LA CSD # 1 (<i>Category - 2</i>)	122,997
Total	\$ 289,860

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY**

**Notes to Financial Statements
(Continued)**

2. AD VALOREM TAXES

Ad Valorem Taxes are levied on July 20, become due when billed by the Parish Tax Collector and become delinquent January 1, of the following year.

For the year ended December 31, 1999 taxes were levied, and dedicated as follows:

	TOTAL VALUATION	TAX ASSESSED	MILLS
General Sewer Maintenance	-	\$ 32,304	10.00
Debt Service (G.O. Bonds)	-	16,151	5.00
Total	\$ 3,230,379	\$ 48,455	15.00

Revenue is recognized when levied in the revenue (proprietary) fund and in the debt service fund.

3. RESTRICTED ASSETS

Restricted assets were applicable to the following at December 31, 1999.

Bond Reserve Account	\$ 74,059
Bond Contingency Account	7,204
Customers' Deposit	17,110
Bond Interest and Redemption	75,186
Total	\$ 173,559

All restricted assets and operating accounts are on deposit at an FDIC Insured Depository. As of December 31, 1999, bank balances are collateralized with FDIC coverage of \$100,000 and pledged securities as follows:

	Par Value	Book Value	Market Value
Rapides Parish School District # 1 & Lafayette Parish PH LA CSD # 1	\$ 190,000	\$ 189,333	\$ 189,860

4. ACCOUNTS RECEIVABLE

Proprietary-

Accounts Receivable	\$ 17,993
Allowance for Bad Debt	(857)
Ad Valorem Tax Receivable	32,304
Total Receivables	\$ 49,440

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY**

**Notes to Financial Statements
(Continued)**

4. ACCOUNTS RECEIVABLE - (CONT.)

Allowance for bad debts are established at 5% of customer accounts receivable.

Debt Service-

Ad Valorem Tax Receivable	<u>\$ 16,152</u>
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5. CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the LaSalle Sewerage District No. 1 for the year ended December 31, 1999.

	<u>General Obligation</u>	<u>Equipment Note</u>	<u>Total</u>
Bonds Payable at 12-31-98	\$ 99,757	\$ 1,046,003	\$ 1,145,760
Bonds Retired during 1999	<u>(5,262)</u>	<u>(27,756)</u>	<u>(33,018)</u>
Bonds Payable at 12-31-99	<u>\$ 94,495</u>	<u>\$ 1,018,247</u>	<u>\$ 1,112,742</u>

The individual bond issues that comprise the total bonds payable at December 31, 1999 are shown in the supplementary information section of this report under "Combined Schedule of Bonds Payable". General obligation bonds are serviced out of the debt service fund and revenue bonds are serviced out of the Revenue (Proprietary) Fund.

6. PROPRIETARY FUND PROPERTY

A summary of proprietary fund type property, plant and equipment at December 31, 1999:

System (Cost)	\$ 3,178,645
Less Allowance for Depreciation	<u>(1,144,140)</u>
Net Plant	<u>\$ 2,034,505</u>

7. FLOW OF FUNDS, RESTRICTION ON USE SEWER REVENUE

Under the terms of the bond indenture relating to Sewer Bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Sewer System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

- (A) Out of revenue to the "Operations and Maintenance Fund", and amount sufficient to provide for expenses of the system.
- (B) Each month, there will be set aside into a fund called the "Bond and Interest Redemption Fund", an amount constituting 1/12 of the next maturing yearly installment of principal and interest payments. These funds may be used only for payment of bond principal and interest.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY**

**Notes to Financial Statements
(Continued)**

7. FLOW OF FUNDS, RESTRICTION ON USE SEWER REVENUE-(Cont.)

(C) There shall also be set aside into a "Bond Reserve Fund", and amount equal to 5% of the monthly payment being made in to the sinking fund until it equals the highest combined annual debt service in any future year on the outstanding bonds or \$77,913. Such amount may be used only for the payment of maturing bonds and interest for which sufficient funds are not on deposit in the "Bond and Interest Redemption Fund".

(D) Funds will also be set aside into a Contingency Fund at the rate of \$375 per month. Money in this fund may be used for the making of extraordinary repairs to the system which are necessary to keep the system in operating condition. Money in this fund may be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

(E) All of the revenue received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful purpose of the District.

Reservations of retained earnings have been made for funds in restricted accounts that exceed current interest and principal requirements.

8. BOARDMEMBER FEES

The following is a schedule of fees paid boardmembers for the year ended December 31, 1999.

Jerry King - Chairman	\$ 720
Vandell Smith	60
Albert Jones	720
Don Smith	240
Huey King	-0-
Total	<u>\$ 1,740</u>

9. ACCUMULATED SICK LEAVE AND VACATION

The District does not accumulate sick leave or vacation for employees.

10. LITIGATION

The District had no outstanding judgments or pending litigation as of December 31, 1999.

11. RETIREMENT PLANS

The system does not offer its employees a retirement plan. All employees are in the social security system.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY**

**Notes to Financial Statements
(Continued)**

12. SEWER RATES

The District's current sewer rates are as follows:

<i>Residential</i>	\$ 13.44 per month flat rate plus 1.79 for each 1000 gallons of water
<i>Residential (Non-Metered Water)</i>	\$ 19.84 per month flat rate
<i>Industrial</i>	\$ 32.00 per month flat rate plus 2.30 for each 1000 gallons of water
<i>Commercial</i>	\$ 50.00 per month flat rate

13. RETAINED EARNINGS DEFICIT

The District currently has a retained earnings deficit of \$(462,128) due largely to depreciation expense taken on fixed assets financed with grants and other contributed capital.

*SUPPLEMENTARY
INFORMATION*

**LASALLE SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY
JENA, LOUISIANA**

Combined Annual Payment Schedule

- \$427,000 Sewer Revenue Bonds, Dated March 30, 1978, Bearing Interest at 5% Per Annum
- \$58,000 Sewer Revenue Bonds, Dated June 8, 1979, Bearing Interest at 5% Per Annum
- \$820,000 Sewer Revenue Bonds, Dated August 30, 1990, Bearing Interest at 5% Per Annum
- Maturity Schedule For An Issue Of One Hundred Seventy Thousand Dollars (\$170,000) Of Public Improvement Bonds Of Sewerage District No. 1 Of The Parish Of LaSalle, State Of Louisiana, Dated December 1, 1977, And Bearing Interest At The Rate Of 5% Per Annum.
- Note to Contractors Finance Co. L.L.C. originated for \$22,433, bearing interest at 6.25%, payable in 30 monthly installments beginning July 26, 1999 and ending June 26, 2004.

March 30 of the Years	Equipment Note	1978 Issue	1979 Issue	Revenue Bonds	Total
2000	\$ 4,744	\$ 4,000	\$ 6,050	\$ 77,491.40	\$ 92,285.40
2001	4,744	4,000	5,850	76,891.40	91,485.40
2002	4,744	5,000	5,650	77,291.40	92,685.40
2003	4,744	5,000	5,450	76,641.40	91,835.40
2004	2,372	5,000	5,200	76,991.40	89,563.40
2005	-0-	5,000	4,950	77,291.40	87,241.40
2006	-0-	6,000	4,700	76,541.40	87,241.40
2007	-0-	6,000	4,450	76,791.40	87,241.40
2008	-0-	6,000	4,150	76,991.40	87,141.40
2009	-0-	6,000	3,850	77,141.40	86,991.40
2010	-0-	7,000	3,550	77,241.40	87,791.40
2011	-0-	7,000	3,250	76,291.40	86,541.40
2012	-0-	7,000	2,900	76,341.40	86,241.40
2013	-0-	8,000	2,550	75,341.40	85,891.40
2014	-0-	8,000	2,200	76,291.40	86,491.40
2015	-0-	9,000	1,800	76,191.40	86,991.40
2016	-0-	9,000	1,400	76,041.40	86,441.40
2017	-0-	10,000	950	75,841.40	86,791.40
2018	-0-	-0-	-0-	75,591.40	75,591.40
2019	-0-	-0-	-0-	50,291.40	50,291.40
2020	-0-	-0-	-0-	48,191.40	48,191.40
2021	-0-	-0-	-0-	48,191.40	48,191.40
2022	-0-	-0-	-0-	48,191.40	48,191.40
2023	-0-	-0-	-0-	48,191.40	48,191.40
2024	-0-	-0-	-0-	48,191.40	48,191.40
2025	-0-	-0-	-0-	48,191.40	48,191.40
2026	-0-	-0-	-0-	48,191.40	48,191.40
2027	-0-	-0-	-0-	48,191.40	48,191.40
2028	-0-	-0-	-0-	48,191.40	48,191.40
2029	-0-	-0-	-0-	48,191.40	48,191.40
2030	-0-	-0-	-0-	48,191.40	48,191.40
Total	\$ 21,348	\$ 117,000	\$ 68,900	\$ 2,035,633.40	\$ 2,242,881.40

*OTHER
SUPPLEMENTARY
INFORMATION*

JOHN R. VERCHER PC

Certified Public Accountant

P.O.Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Members of the Board
LaSalle Parish Sewerage District No. 1
PO Box 1
Trout, Louisiana 71371

COMPLIANCE

I have audited the compliance of the LaSalle Sewerage District No. 1, LaSalle Parish, Louisiana, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. The LaSalle Sewerage District No. 1, Parish of LaSalle, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Urania, Louisiana's management. My responsibility is to express an opinion on the LaSalle Sewerage District No. 1, Parish of LaSalle, Louisiana's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Urania, Louisiana's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the LaSalle Sewerage District No. 1, Parish of LaSalle, Louisiana's compliance with those requirements.

In my opinion, LaSalle Sewerage District No. 1, Parish of LaSalle, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

The management of the LaSalle Sewerage District No. 1, Parish of LaSalle, LaSalle Parish, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered LaSalle Sewerage District No. 1, Parish of LaSalle, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that I consider to be material weaknesses.

I have reported other compliance findings in the "Schedule of Findings and Questioned Cost" and have reported recommendations in a separate letter "Management Letter Comments".

This report is intended solely for the information and use of management, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

John R. Vercher
Jena, Louisiana
February 28, 2000

**LASALLE SEWERAGE DISTRICT NO. 1
LASALLE PARISH, LOUISIANA**

*Schedule of Federal Expenditures of Federal Awards
December 31, 1999*

<u>Federal Grantor/Programs Title</u>	<u>Federal CFDA #</u>	<u>Loan Number</u>	<u>Loan Guarantor</u>
US Department of Agriculture Water and Waste Disposal Systems for Rural Communities			
FMHA Bonds Outstanding	10.760	92-01	\$ 306,000
FMHA Bonds Outstanding	10.760	92-04	40,000
FMHA Bonds Outstanding	10.760	92-05	<u>672,248</u>
Total			<u>\$ 1,018,248</u>

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A – Single Audit Requirements –

In July 1996, the Single Audit Act Amendments of 1996 (1996 Act) were enacted and superseded the Single Audit Act of 1984. In June 1997 OMB issued a revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, to implement the changes from the 1996 Act and to rescind Circular A-128. The new requirements are that an entity with more than \$300,000 of federal loans are subject to the requirements of Single Audit Act. The revenue and debt service funds use the accrual and modified accrual basis of accounting respectively.

Supplementary schedule. Presented for purposes of additional analysis only.

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended December 31, 1999**

I have audited the financial statement of the LaSalle Sewerage District No. 1, LaSalle Parish, Louisiana, as of and for the year ended December 31, 1999 and have issued my report thereon dated February 28, 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. My audit of the financial statements as of December 31, 1999 resulted in a qualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion On Compliance Unqualified Qualified
For Major Programs Disclaimer Adverse

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

Yes No

c. Identification Of Major Programs:

CFDA Number (s)	Name Of Federal Program (or Cluster)
10.760	U.S. Department of Agriculture

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY**

SCHEDULE OF FINDINGS AND QUESTIONED COST -- (CONT.)
For the Year Ended December 31, 1999

Section II Financial Statement Findings Required To Be Reported In Accordance With GAGAS

Reference	Description of Finding	Recommendation
99-C-1	<p><u>Debt obtained without bond commission approval.</u></p> <p>The District purchased equipment with debt in excess of 90 days without the approval of the State Bond Commission as provided by article 7, section 8 of the 1974 Louisiana Constitution</p>	<p>All loans made by the District should first receive bond commission approval before the loans are made. The bond commission reviews the financial position of the entity and makes a determination as to the entity's ability to service the debt</p>

*LaSalle Sewerage District No. 1
LaSalle Parish Police Jury*

Management Letter Comment

LaSalle Sewerage District No. 1
Board of Directors
PO Box 1
Trout, Louisiana 71371

During the course of my audit, I observed conditions and circumstances that may be improved. Below are situations that may be improved (if any), recommendations for improvements, and the District's response. I have also listed the prior year management letter comments (if any) and management's response to those comments.

98-M-1)) ADJUSTMENT OF CUSTOMER BILLS

Situation: It came to my attention during my audit that some customer water bills were being adjusted by District employees without board approval.

Recommendation: Any adjustments made to customer bills should be reviewed and approved by the board at its regular monthly meeting and documented in its minutes.

LaSalle Sewerage District No. 1

LaSalle Parish Police Jury

DECEMBER 31, 1999

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS

REFERENCE	DESCRIPTION OF FINDING	CORRECTIVE ACTION PLANNED	CONTACT PERSON	ANTICIPATED COMPLETION DATE
99-C-1	Debt obtained without bond commission approval	In the future the District will get bond commission approval before the loans are made. The bond commission reviews the financial position of the entity and makes a determination as to the entity's ability to service the debt	Jerry King	December 31, 2000
99-M-1	Adjustment of customer bills	Future adjustments made to customer bills will be documented in the minutes and approved by the board.	Jerry King	December 31, 2000

**LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the LaSalle Sewerage District No. 1, Parish of LaSalle, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their compilation for the year ended December 31, 1998

A) Prior Year Management Letter Comment and Management's Response

- 1) There were no prior year management letter comments.

GRAPHS

LASALLE SEWERAGE DISTRICT NO. 1

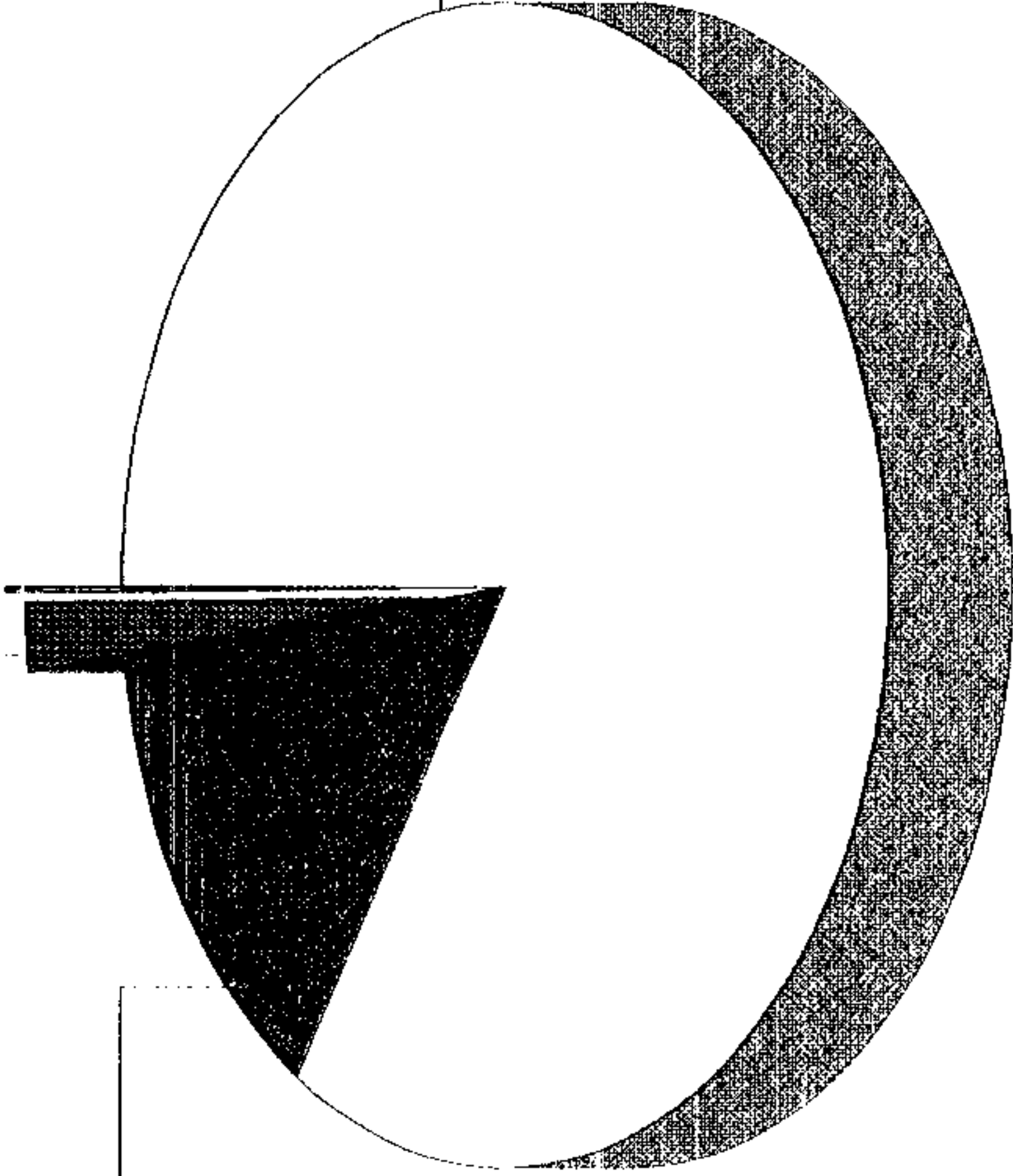
OPERATING FUND REVENUES 12-31-99

INTEREST
INCOME
\$5,066

MISCELLANEOUS
INCOME
\$1,440

AD VALOREM
TAX
\$32,581

SERVICE
CHARGE
\$216,034

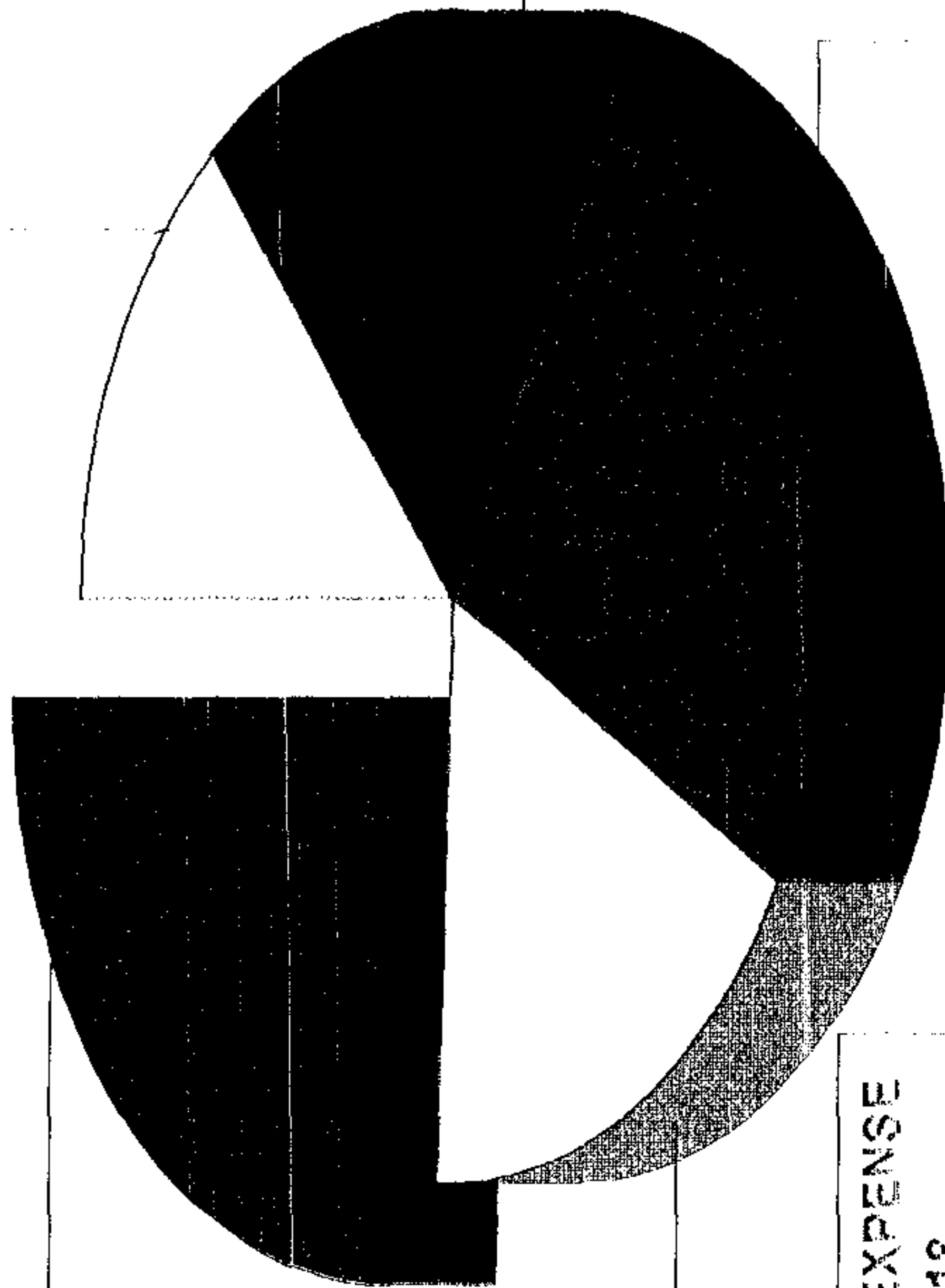


LASALLE SEWERAGE DISTRICT NO. 1

OPERATING FUND EXPENDITURES 12-31-99

OTHER
OPERATING
EXPENSE
\$67,745

SALARIES
\$38,111



SEWER
TREATMENT
\$51,501

INTEREST EXPENSE
\$48,818

DEPRECIATION EXPENSE
\$71,645