

8204

OFFICIAL
FILE COPY
do not take out

Group necessary
copies from the
copy and FILE
BACK in FILE



provisions of state law, this
is a public document. A
the report has been submit-
the audited, or reviewed,
and other appropriate public
s. The report is available for
inspection at the Baton
Office of the Legislative Audi-
t, where appropriate, at the
of the parish clerk of court.

Issue Date: JUN 26 1996

Under provisions of state law, this
report is a public document.
copy of this report is
to be made available to
entity and officials.
Public inspection of this
Report of the Legislative Auditor
and the parish clerk of court
office of

M. Carlton Purrier
CERTIFIED PUBLIC ACCOUNTANT

RECEIVED
LEGISLATIVE AUDITOR
96 JUN 20 AM 9:00

PRATHER ROAD WATER DISTRICT
Monroe, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1995
With Supplemental Information Schedules

PRairie Road Water District
Monroe, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1996
With Supplemental Information Schedules

C O N T E N T S

	Statement	Page No.
Independent Auditor's Report		3
General Purpose Financial Statements:		
Proprietary Fund Type - Enterprise Fund:		
Balance Sheet	A	6
Statement of Revenues, Expenses, and Changes in Retained Earnings	B	8
Statement of Cash Flows	C	10
Notes to the Financial Statements		12
Supplemental Information Schedules:	Schedule	Page No.
Schedule of Water Rates	1	20
Schedule of Insurance Coverage	2	21
Schedule of Revenues, Expenses, and Changes in Retained Earnings - Budget and Actual (Unaudited)	3	22
Proposed Operating Budget - For the Year Ending December 31, 1996 (Unaudited)	4	23
Schedule of Per Diem Paid Commissioners	5	25

CONTENTS

	Schedule	Page No.
Independent Auditor's Reports Required by Government Auditing Standards, OIGB Circular A-128, Audit of State and Local Government, and United States Department of Agriculture Farmers Home Administration (FmHA) Audit Program (1989 edition)		
Report on Schedule of Federal Financial Assistance		27
Schedule of Federal Financial Assistance	6	28
Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards		29
Report on Compliance With General Requirements Applicable to Federal Financial Assistance Programs		31
Report on Compliance With Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions		32
Report on Internal Control Structure Based on An Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards		33
Report on Internal Control Structure Used in Administering Federal Financial Assistance Programs		33

M. Carlton Dumas
CERTIFIED PUBLIC ACCOUNTANT

249 EMERSON ROAD • COLLEEN, LOUISIANA 71225 • TELEPHONE 338/664-5126

Independent Auditor's Report

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
MORNO, Louisiana

I have audited the general purpose financial statements of Prairie Road Water District, a component unit of the Ouachita Parish Police Jury, as of December 31, 1995, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the district's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards: *Government Auditing Standards*, issued by the Comptroller General of the United States; *Office of Management and Budget Circular A-133, Audit of State and Local Governments*; and the *United States Department of Agriculture Farmers Home Administration (FmHA) Audit Program*, (GAP edition). Those standards, OMB A-133, and the FmHA audit program require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 general purpose financial statements referred to in the first paragraph present fairly, in all material aspects, the financial position of Prairie Road Water District, as of December 31, 1995, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
Independent Auditor's Report
December 31, 1995

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The 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 general purpose financial statements of Prairie Road Water District. Such information, except for the schedules marked "unaudited," on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated May 31, 1996, on my consideration of Prairie Road Water District's internal control structure and a report dated May 31, 1996, on the district's compliance with laws and regulations.



Carlson, Louisiana
May 31, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS

PRairie Road Water District
Monroe, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Balance Sheet, December 31, 1985

ASSETS

Current assets:

Cash	\$53,737
Accounts receivable - water sales	17,500
Accounts receivable - other	113
Inventory	4,730
Total current assets	<u>76,079</u>

Restricted assets - cash:

Bond reserve accounts	163,633
Customer deposit accounts	7,938
Total restricted assets	<u>171,571</u>

Property, plant and equipment (net of accumulated depreciation)

558,428

TOTAL ASSETS

\$688,079

LIABILITIES AND FUND EQUITY

Current liabilities (payable from current assets):

Accounts payable	\$1,181
Payroll taxes payable	1,288
Sales tax payable	561
Total current liabilities (payable from current assets)	<u>3,030</u>

Current liabilities (payable from restricted assets):

Customer deposits	7,938
Bonds payable	28,000
Accrued interest payable	1,343
Total current liabilities (payable from restricted assets)	<u>37,281</u>

Long-term liabilities - revenue bonds payable

476,852

Total liabilities

\$517,163

(Continued)

RAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND
Balance Sheet, etc.

LIABILITIES AND FUND EQUITY (CONTIN):

Fund Equity - retained earnings:

Reserved for inventory

\$4,720

Reserved for debt retirement

156,789

Unreserved

145,288

Total fund equity

306,807

TOTAL LIABILITIES AND FUND EQUITY

306,807

(Continued)

The accompanying notes are an integral part of this statement.

PRAIRIE ROAD WATER DISTRICT
 Monroe, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Revenues, Expenses, and
 Changes in Retained Earnings
 For the Year Ended December 31, 1995

OPERATING REVENUES	
Water sales	\$226,896
Connection fees	3,333
Late charges	5,533
Other	319
Total operating revenues	<u>236,081</u>
OPERATING EXPENSES	
Bad debt expense	1,055
Commissioner's fees	1,325
Chlorine and chemicals	7,396
Depreciation	24,813
Equipment rental	1,365
Extra labor	508
Gas and oil	2,183
Insurance	4,554
Insurance - group	2,702
Maintenance and repairs	8,489
Office supplies and expense	1,625
Paper	385
Payroll taxes	7,350
Postage	2,874
Printing	1,294
Professional fees	4,782
Salaries and wages	88,759
Supplies and parts	93,804
Training and conventions	300
Truck repairs	2,855
Utilities and telephone	18,553
Other operating expenses	894
Total operating expenses	<u>511,185</u>
OPERATING INCOME	<u>84,896</u>
(Continued)	

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND
Statement of Revenues, Expenses, and
Changes in Retained Earnings, etc.

NON-OPERATING REVENUES (Expenses)	
Interest income	56,430
Interest expense	<u>(40,385)</u>
Total non-operating revenues (expenses)	<u>16,045</u>
NET INCOME	33,000
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>157,867</u>
RETAINED EARNINGS AT END OF YEAR	<u>190,867</u>

(Continued)

The accompanying notes are an integral part of this statement.

PRAIRIE ROAD WATER DISTRICT
 Monroe, Louisiana
 PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Cash Flows
 For the Year Ended December 31, 1995

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$257,993
Cash paid to suppliers and employees	(75,192)
Cash paid to others for services, taxes, etc.	(52,065)
Customer deposits (net)	138
Net cash provided by operating activities	<u>90,864</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Principal and interest on revenue bonds	(111,108)
---	-----------

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earned on bank deposits	<u>6,470</u>
----------------------------------	--------------

NET DECREASE IN CASH

(13,764)

CASH AT BEGINNING OF YEAR

341,000

CASH AT END OF YEAR

\$327,236

**RECONCILIATION OF NET OPERATING INCOME TO
 NET CASH PROVIDED BY OPERATING ACTIVITIES**

Net operating income	<u>\$66,986</u>
----------------------	-----------------

(Continued)

PRAIRIE ROAD WATER DISTRICT
 Monroe, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND
 Statement of Cash Flows, etc.

Adjustments to reconcile net operating income to net cash provided by operating activities:	
Depreciation	\$24,819
Bad debt expense	1,055
Changes in assets and liabilities:	
(Increase) in accounts receivable	(1,604)
Decrease in inventory	1,848
(Decrease) in accounts and taxes payable	(1,502)
Increase in customer deposits	150
Total adjustments	<u>25,909</u>
Net cash provided by operating activities	<u>\$70,859</u>

(Continued)

The accompanying notes are an integral part of this statement.

PLAINIE ROAD WATER DISTRICT
Morrow, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1995

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Plainie Road Water District was created by the Ouachita Parish Police Jury on May 8, 1972, 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 five member board appointed by the police jury to serve indefinite terms of office. The board members receive \$80 for each meeting if they meet every other month, \$15 for each regular monthly meeting and \$25 for each special board meeting they attend.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury is the financial reporting entity for Ouachita 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 (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and;
 - a. The ability of the police jury to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

FRANKE ROAD WATER DISTRICT

Monroe, Louisiana

Name to the financial statements (Continued)

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 appoints the governing body of the district and has the ability to impose its will on the district, the district was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

Frankie Road Water District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

C. FIXED ASSETS AND LONG-TERM DEBT

Fixed assets of the district are included on the balance sheet of the enterprise fund and are recorded at actual cost. Depreciation of all exchangeable fixed assets is charged as an expense against operations. Fixed assets reported on the balance sheet are net of accumulated depreciation. Depreciation is computed using the straight-line method over estimated useful lives of 20 to 30 years for the wells, water tanks and lines, 20 years for buildings, and 5 to 10 years for equipment. Long-term debt is recognized within the enterprise fund.

PRAIRIE ROAD WATER DISTRICT

Monroe, Louisiana

Notes to the financial statements (Continued)

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The Enterprise Fund is reported in the accompanying financial statements on the accrual basis of accounting. Revenues, such as water sales and other operating income are recognized when they are earned. Interest on bank deposits is recorded when the interest is credited to the account. All expenses of the district are recognized when they are incurred.

E. CASH

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under the laws of the State of Louisiana, and national banks having principal offices in Louisiana. At December 31, 1995, the district has cash (bank balances) totaling \$127,309 as follows:

Petty cash	\$209
Demand deposits:	
Non-interest bearing	172,609
Interest bearing	<u>54,509</u>
Total	<u>\$127,309</u>

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. Cash (bank balances) at December 31, 1995, are secured as follows:

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
Notes to the financial statements (Continued)

Bank Balances	<u>\$277,616</u>
Federal deposit insurance	\$154,900
Pledged securities (uncollateralized)	<u>548,000</u>
Total	<u>\$980,500</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASH Statement 3, Louisiana Revised Statute 79:1229 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.

F. VACATION AND SICK LEAVE

The district's full-time employees earn from 5 to 15 days of vacation leave per year depending upon length of service. Vacation must be taken in the calendar year earned. Full-time employees earn 5 days of sick leave per year after 90 days continuous employment. Sick leave may not be accumulated. In addition, full-time employees earn 1 fan day per calendar year, after 90 days continuous employment.

G. INVENTORY

Inventories consist of parts and supplies, valued at cost, which approximates market. Cost is determined using the first-in, first-out method. Inventories are recorded using the "purchase method" whereby supplies are charged as expenses when acquired. Inventory on hand at the end of the year is recorded as an asset with a corresponding reservation of retained earnings.

2. FIXED ASSETS

A summary of property, plant, and equipment at December 31, 1995, follows:

PRAIRIE ROAD WATER DISTRICT

Monroe, Louisiana

Notes to the financial statements (Continued)

Wells, tanks, and lines	3829,209
Buildings	38,968
Vehicle and other equipment	15,268
	<u>983,175</u>
Less accumulated depreciation	<u>(344,707)</u>
Property, plant and equipment, net	<u>638,468</u>

3. PENSION PLAN

The employees of Prairie Road Water District are members of the Social Security System. In addition to the employee contributions withheld at 7.65 per cent of gross salary, the district contributes an equal amount to the Social Security System. The district does not guarantee the benefits granted by the Social Security System.

4. LONG-TERM DEBT

At December 31, 1995, the district has three outstanding issues of long-term revenue bonds. The purpose of the bonds was to provide financing for the construction of the water system and extensions and improvements to the system. The issue dated December 1, 1972 was for \$325,000. It was originally purchased by the United States Department of Housing and Urban Development but was subsequently sold to the General Electric Credit Corporation. The issue bears interest at 5.625 per cent per annum and the principal is to be repaid in annual payments ranging from \$7,000 to \$41,000 through December 1, 2002.

In 1983 the district sold two additional issues of revenue bonds to the United States Department of Agriculture, Farmers Home Administration, a \$150,000 issue bearing interest at 9.5 per cent and a \$50,000 issue bearing interest at 9.125 per cent. The combined principal payments for the two issues range from \$17,000 to \$31,000 through December 28, 2003. All long-term debt is to be repaid solely from the income and revenues derived from the operation of the water system.

The following is a summary of revenue bonds payable transactions for the year ended December 31, 1995:

Revenue bonds payable at January 1, 1995	\$547,832
Reductions	<u>(40,000)</u>
Revenue bonds payable at December 31, 1995	<u>507,832</u>

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
Notes to the financial statements (Continued)

The annual requirements to amortize all bonds outstanding at December 31, 1995, including interest of \$399,810 are as follows:

Year	
1996	\$72,647
1997	73,592
1998	73,820
1999	75,385
2000	75,385
2001-2005	272,095
2006-2010	123,395
2011-2012	77,300
Total	<u>\$893,869</u>

5. RESERVED RETAINED EARNINGS

The bond covenants for the 1972 water revenue bonds discussed in note 4 above, requires the district to establish the following reserve accounts:

- A. A "Revenue Bond and Interest Sinking Fund". The district must transfer into this fund each month, one-twelfth of the next maturing installment of principal and interest on the outstanding bonds. The fund is used to pay interest on the bonds and to retire the bonds as they mature.
- B. A "Revenue Bond Reserve Fund". The district must transfer into this fund \$100 each month until \$25,000 has been accumulated in this fund. Such amounts may be used solely for the payment of principal and interest which would otherwise be in default.
- C. A "Replacement and Extension Fund". The district must transfer \$90 per month into this fund until \$5,500 has been accumulated. Money in this fund is to be used for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, replacements and extensions of the system and to eliminate deficiencies in the Revenue Bond and Interest Sinking Fund and the Revenue Bond Reserve Fund.

The bond covenants with the United States Department of Agriculture, Farmers Home Administration for the 1983 revenue bonds discussed in note 4 above, require the district to establish the following reserve accounts:

PRAIRIE ROAD WATER DISTRICT

Monroe, Louisiana

Notes to the financial statements (Continued)

- A. A "Water Revenue Bond and Interest Sinking Fund". The district must transfer into this fund, each month, one-twelfth of the principal and interest due on the next principal and interest payment date. This fund is used to pay bond principal and interest as they become due.
- B. A "Water Reserve Fund". The district must transfer into this fund, each month, an amount equal to 3 per cent of the amount to be paid into the Water Revenue Bond and Interest Sinking Fund each month until \$26,889 has been accumulated therein. Such amounts may be used only for the payment of matured bonds and interest when sufficient funds are not available in the Water Revenue Bond and Interest Sinking Fund.
- C. A "Water Depreciation and Contingency Fund". The district must transfer \$428 into this fund each month. The deposits in this fund may be used for unusual or extraordinary maintenance, repairs, replacements, and extensions and for the cost of improvements to the system. Money in this fund may also be used to pay principal and interest on bonds falling due at any time there is not sufficient funds in the other reserve funds.

At December 31, 1985 the district has \$663,652 in restricted accounts to meet reserve requirements. Of that amount, \$29,300 is offset by current liabilities, with the remaining \$634,352 reported as a reserve of retained earnings on Statement A. The following is a summary of transactions in the bond reserve accounts for the year ended December 31, 1985:

	1972	1985	Total
	1985	1985	
Bond reserve accounts at January 1, 1985	\$62,037	\$127,899	\$208,756
Deposits	18,000	43,448	61,448
Interest earnings	2,262	3,021	5,283
Bond and interest payments	(21,353)	(89,764)	(111,117)
Bank charges	(3)	(9)	(12)
Bond reserve accounts at December 31, 1985	<u>\$60,243</u>	<u>\$81,305</u>	<u>\$161,652</u>

6. LITIGATION AND CLAIMS

At December 31, 1985, the district is the defendant in one lawsuit. In the opinion of legal counsel for the district, any liability resulting from an unfavorable outcome would be adequately covered by the district's insurance.

SUPPLEMENTAL INFORMATION SCHEDULES

FRAZEE ROAD WATER DISTRICT
Monroe, Louisiana

Schedule I

Schedule of Water Rates
For the Year Ended December 31, 1995

<u>Classification</u>	<u>Tariff</u>	<u>Rate</u>
Residential	Monthly minimum for first 3,000 gallons	\$14.00
	For the next 2,000 gallons	5.00
	Per 1,000 gallons for the next 5,000 gallons	3.00
	Per 1,000 gallons for all over 10,000 gallons	1.25
Commercial	Monthly minimum for first 15,000 gallons	45.00
	Per 1,000 gallons for all over 15,000 gallons	1.50

PRABIE ROAD WATER DISTRICT
Monroe, Louisiana

Schedule 2

Schedule of Insurance Coverage
As of December 31, 1995

Type of Coverage	Name of Insurer	Policy Number	Amount of Coverage	Expiration Date
			General Aggregate - \$1,000,000	
General Liability	Mt. Airy Insurance Company	903-141908-B	Each Occurrence - \$1,000,000 Medical Expense - \$5,000	01/01/96
Automobile Liability	Mt. Airy Insurance Company	903-141908-B	\$1,000,000	01/01/96
Excess Liability	Mt. Airy Insurance Company	5330035100	Aggregate - \$1,000,000 Each Occurrence - \$1,000,000	01/01/96
Worker's Compensation and Employers Liability	Midwest Employers Casualty Co.	0613-SA-LA	Statutory	01/01/96
Property	Mt. Airy Insurance Company	903-141908-B	Each Occurrence - \$1,000,000	01/01/96
Fidelity Bond	Fidelity and Deposit Company of Maryland	97689049	Vice-President - \$100,000 2nd Vice-President - \$100,000 Secretary/Treasurer - \$100,000 Mgr - Bookkeeper - \$100,000	12/28/96

FRAIRIE ROAD WATER DISTRICT
 Monroe, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Revenues and Operating Expenses -
 Budget and Actual
 For the Year Ended December 31, 1995
 (Dollars)

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Operating income	\$215,809	\$218,371	\$2,562
Interest income	6,900	6,430	(470)
Total operating revenues	<u>222,709</u>	<u>224,801</u>	<u>2,092</u>
OPERATING EXPENSES			
Bond debt expense		1,085	(1,085)
Commissioner's fees	1,500	1,325	175
Chlorine and chemicals	7,500	7,338	162
Depreciation	20,400	24,913	(4,513)
Equipment rental	1,812	1,995	(183)
Extra labor	811	508	303
Gas and oil	2,500	3,283	(783)
Insurance	10,500	7,256	3,244
Interest expense	40,200	40,385	(185)
Maintenance and repairs	10,800	8,499	2,301
Office supplies and expense	1,500	1,625	(125)
Paper	500	385	115
Payroll taxes		7,550	(7,550)
Postage	2,640	2,974	(334)
Printing	1,100	1,204	(104)
Professional fees	5,800	4,762	1,038
Salaries and wages	70,284	68,739	1,545
Supplies and parts	7,900	10,004	(2,104)
Training and conventions	2,000	300	1,700
Track repairs	1,000	2,855	(1,855)
Utilities and telephone	17,500	16,573	927
Other operating expenses	9,000	894	8,106
Total operating expenses	<u>215,019</u>	<u>211,731</u>	<u>3,288</u>
NET INCOME	<u>\$6,690</u>	<u>\$13,070</u>	<u>\$6,380</u>

PRAIRIE ROAD WATER DISTRICT
 Monroe, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Proposed Operating Budget
 For the Year Ending December 31, 1996
 (Unaudited)

REVENUES	
Operating income	\$242,794
Interest income	7,000
Total operating revenues	<u>249,794</u>
OPERATING EXPENSES	
Commissioner's fees	1,500
Chlorine and chemicals	7,671
Depreciation	18,700
Equipment rental	1,535
Extra labor	858
Gas and oil	2,289
Insurance	7,486
Interest expense	65,281
Maintenance and repairs	8,587
Office supplies and expenses	1,748
Paper	425
Postage	1,937
Printing	1,431
Professional fees	5,238
Salaries and wages	76,809
Supplies and parts	9,811
Training and conventions	220
Truck repairs	2,796
Utilities and telephone	19,427
Other operating expenses	13,000
Total operating expenses	<u>244,335</u>
NET INCOME	<u>\$5,459</u>

FRAIHE ROAD WATER DISTRICT
Monroe, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 1999

PER DIEM PAID COMMISSIONERS

The schedule of per diem paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 33:2819, the commissioners receive \$25 for each regular board meeting they attend if the board meets monthly. If the board meets every other month, the commissioners are paid \$50 for each meeting they attend. If a special meeting is called the commissioners are paid \$25 for each special board meeting they attend.

FRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Schedule 2

Schedule of Per Diem Paid Commissioners
For the Year Ended December 31, 1999

Dorth E. Black, Vice-President 480 Moore Road Monroe, LA 71202 (318) 387-3823	325
James Johnson 985 Monso Road Monroe, LA 71202 (318) 387-5569	125
Cleo Moore, Second Vice-President 243 Cleo Road Monroe, LA 71202 (504) 323-2407	275
Robert Price, Secretary/Treasurer 229 Kincaid Road Monroe, LA 71202 (318) 387-2400	275
Timmy Price, President 177 Synamore Lane Monroe, LA 71202 (318) 323-7666	125
Total	<u>\$1,125</u>

**Independent Auditor's Reports Required by
Government Auditing Standards, OMB
Circular A-118, Audit of State and Local
Governments, and United States Department of
Agriculture Forestry Home Administration
(PFWA) Audit Program (1989 edition)**

The following independent auditor's reports on the schedule of federal financial assistance, compliance with laws and regulations and internal control structure are presented in compliance with the requirements of Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-118, *Audit of State and Local Governments*; the United States Department of Agriculture Forestry Home Administration (PFWA) Audit Program, (1989 edition) and the Louisiana Governmental Audit Code, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Carolyn Dumas
CERTIFIED PUBLIC ACCOUNTANT

340 HONOLULU ROAD • CALIBORN, LOUISIANA 71223 • TELEPHONE 337/944-0720

**Independent Auditor's Report on Supplementary
Schedule of Federal Financial Assistance**

**BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
MORNO, Louisiana**

I have audited the general purpose financial statements of Prairie Road Water District as of December 31, 1985, and for the year then ended, and have issued my report thereon dated May 31, 1986. These general purpose financial statements are the responsibility of the district's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-128, *Audit of State and Local Governments*; and the United States Department of Agriculture *Farmer Water Administration (FWA) Audit Program (1989 edition)*. Those standards, OMB Circular A-128 and the FWFA audit program require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of Prairie Road Water District, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Caliborn, Louisiana
May 31, 1986

FRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Schedule 6

Schedule of Federal Financial Assistance
For the Year Ended December 31, 1995

<u>FEDERAL GRANTOR - PROGRAM NAME</u>	<u>CFDA NUMBER</u>	<u>LOAN BALANCE DECEMBER 31, 1995</u>
United States Department of Agriculture - Rural Economic and Community Development Direct Program - Water and Waste Disposal Systems For Rural Communities	10.438	<u>3256,810</u>

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 HENRIENNE BOULEVARD • CALIBOU, LOUISIANA 70215 • TELEPHONE 318/644-1714

**Independent Auditor's Report on Compliance
Based on an Audit of General Purpose
Financial Statements Performed in Accordance with
Government Auditing Standards**

**BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
MORNO, Louisiana**

I have audited the general purpose financial statements of Prairie Road Water District, as of December 31, 1995 and for the year then ended, and have issued my report thereon dated May 31, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*; the United States Department of Agriculture Forests Management Administration (FMA) Audit Program (1989 edition) and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards, OMB Circular A-128, the FMA audit program and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws and regulations applicable to Prairie Road Water District, is the responsibility of the district's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of Prairie Road Water District's compliance with certain provisions of laws and regulations. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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*.

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
Independent Auditor's Report on
Compliance, etc.

This report is intended for the information of the board of commissioners of Prairie Road Water District, management of the district, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



Carlton D. Quinn
Caldwell, Louisiana
May 31, 1996

M. Carlton Duncan
CERTIFIED PUBLIC ACCOUNTANT

249 DONALDSON ROAD • CALIFORNIA, LOUISIANA 70018 • TELEPHONE 218-644-5728

**Independent Auditor's Report on Compliance
With General Requirements Applicable to
Federal Financial Assistance Programs**

**BOARD OF COMMISSIONERS
PRABLE ROAD WATER DISTRICT
Monroe, Louisiana**

I have audited the general purpose financial statements of Prable Road Water District as of December 31, 1998 and for the year then ended, and have issued my report thereon dated May 31, 1999.

I have applied procedures to test Prable Road Water District's compliance with the following requirements applicable to its federal financial assistance programs, which is identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1998:

Civil rights
Federal financial reports

My procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single-Agency of State and Local Governments*. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Prable Road Water District's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that Prable Road Water District had not complied, in all material respects, with those requirements.

This report is intended for the information of the board of commissioners of Prable Road Water District, management of the district, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

Carlton Duncan
Californa, Louisiana
May 31, 1999

M. Carlton Dumas
CERTIFIED PUBLIC ACCOUNTANT

309 DONALDSON ROAD • COLLEEN, LOUISIANA 71227 • TELEPHONE 336/944-5326

**Independent Auditor's Report on Compliance With
Specific Requirements Applicable to Nonmajor
Federal Financial Assistance Program Transactions**

**BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana**

I have audited the general purpose financial statements of Prairie Road Water District as of December 31, 1999 and for the year then ended, and have issued my report thereon dated May 31, 1999.

In connection with my audit of the general purpose financial statements of Prairie Road Water District and with my consideration of the district's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Analysis of State and Local Governments* and the United States Department of Agriculture Farmers Home Administration (FmHA) *Audit Program*, (1989 edition), I selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended December 31, 1999. As required by OMB Circular A-128 and the FmHA audit program, I have performed auditing procedures to test compliance with the requirements governing reporting and special requirements - loan repayment and loan reserve requirements that are applicable to these transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Prairie Road Water District's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that Prairie Road Water District had not complied, in all material respects, with these requirements.

This report is intended for the information of members of the board of commissioners of Prairie Road Water District, management of the district, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.


Carlton Dumas
Colleen, Louisiana
May 31, 1999

M. Carlton Dumas
CERTIFIED PUBLIC ACCOUNTANT

304 DONALDSON BLDG. SUITE 1 • CALIBERIA, LOUISIANA 70221 • TELEPHONE 218/944-2728

**Independent Auditor's Report on the Internal Control
Structure Based on an Audit of General Purpose
Financial Statements Performed in Accordance with
Government Auditing Standards**

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
MORNO, Louisiana

I have audited the general purpose financial statements of Prairie Road Water District, as of December 31, 1985, and for the year then ended, and have issued my report thereon dated May 31, 1986.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-128, *Audit of State and Local Governments*; and the United States Department of Agriculture *Farmers Home Administration (FmHA) Audit Program*, (1980 edition). These standards, OMB Circular A-128, and the FmHA audit program require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Prairie Road Water District, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structures policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

PRAIRIE ROAD WATER DISTRICT

Monroe, Louisiana

Independent Auditor's Report

on the Internal Control Structure, etc.

In planning and performing my audit of the general purpose financial statements of Prairie Road Water District, for the year ended December 31, 1995, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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 structure and its operation that I considered to be material weaknesses as defined above.

This report is intended for the information of the members of the board of commissioners of Prairie Road Water District, management of the district, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



Carlton, Louisiana

May 31, 1996

M. Carlisle Dumas
CERTIFIED PUBLIC ACCOUNTANT

247 DOWNBUSH ROAD • CALOCHA, LOUISIANA 71225 • TELEPHONE 338-2644-2326

**Independent Auditor's Report on Internal
Control Structure Used in Administering
Federal Financial Assistance Programs**

**BOARD OF COMMISSIONERS
PLAQUEMINE WATER DISTRICT
MORNO, Louisiana**

I have audited the general purpose financial statements of Plaquemine Water District as of December 31, 1985, and for the year then ended, and have issued my report thereon dated May 31, 1986.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-128, *Audit of State and Local Governments*; and the United States Department of Agriculture *Forest Home Administration (FmHA) Audit Program*, (1989 edition). Those standards, OMB Circular A-128, and the FmHA audit program require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing my audit for the year ended December 31, 1985, I considered the internal control structure of Plaquemine Water District in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements of Plaquemine Water District and to report on the internal control structure in accordance with OMB Circular A-128 and the FmHA audit program. This report addresses my consideration of internal control structure policies and procedures relevant to compliance requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated May 31, 1986.

**BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana**

**Independent Auditor's Report
on Internal Control Structure
Used in Administering Federal Financial
Assistance Programs, etc.**

The management of Prairie Road Water District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projections of any evaluation of the structure in future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

- Accounting applications:
 - Debt and debt service expenditures
- General Requirements:
 - Civil rights
 - Federal financial reports
- Specific Requirements:
 - Reporting
 - Special requirements - loan repayment and loan reserve requirements

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

During the year ended December 31, 1995, Prairie Road Water District had no major federal financial assistance programs and 100 per cent of the district's total federal financial assistance was under the Water and Waste Disposal Systems For Rural Communities (major federal financial assistance program).

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Independent Auditor's Report
on Internal Control Structure
Used in Administering Federal Financial
Assistance Programs, etc.

I performed tests of controls, as required by GAO Circular A-128 and the FWHIA audit program, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with general and specific requirements that are applicable to the aforementioned nonmajor program. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

My consideration of the internal control structure policies and procedures used in administering federal financial assistance programs would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to a federal financial assistance program 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 structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the board of commissioners of Prairie Road Water District, management of the district, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



Catherine Dumas
Cattaraugus, Louisiana
May 31, 1996