

PRairie ROAD WATER DISTRICT

Monroe, Louisiana

Notes to the financial statements (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 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.

C. FUND ACCOUNTING

Prairie 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.

B. 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 depreciable 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

SUPPLEMENTAL INFORMATION SCHEDULE

GENERAL PURPOSE FINANCIAL STATEMENTS

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

| | |
|--|------------------|
| Revenue bonds payable at January 1, 1996 | \$504,832 |
| Reductions | (28,000) |
| Revenue bonds payable at December 31, 1996 | <u>\$476,832</u> |

The annual requirements to amortize all bonds outstanding at December 31, 1996, including interest of \$294,363, are as follows:

| <u>Year</u> | |
|-------------|------------------|
| 1997 | \$73,932 |
| 1998 | 73,820 |
| 1999 | 75,366 |
| 2000 | 75,366 |
| 2001 | 75,968 |
| 2002-2006 | 216,935 |
| 2007-2011 | 136,501 |
| 2012 | <u>43,506</u> |
| Total | <u>\$771,315</u> |

5. RESERVED/RETAINED EARNINGS

The bond covenant 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 \$180 each month until \$72,000 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.

FRAIRIE ROAD WATER DISTRICT

Monroe, Louisiana

Notes to the financial statements (Continued)

4. LITIGATION AND CLAIMS

At December 31, 1996, 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. The district maintains commercial insurance coverage through the Calcasieu Parish Police Jury to reduce the risk of loss resulting from property damage or liability claims. There were no significant reductions in insurance coverage during the year ended December 31, 1996. There were no costs resulting from claims or judgments during the year ended December 31, 1996.

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

2. **FIXED ASSETS**

A summary of property, plant, and equipment at December 31, 1996, follows:

| | |
|------------------------------------|------------------|
| Wells, tanks, and lines | \$800,860 |
| Buildings | 38,568 |
| Vehicle and other equipment | 37,735 |
| | <hr/> |
| | 877,163 |
| Less accumulated depreciation | (360,317) |
| Property, plant and equipment, net | <u>\$516,846</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, 1996, 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 \$8,000 to \$41,000 through December 1, 2012.

In 1983 the district sold two additional issues of revenue bonds to the United States Department of Agriculture, Farmers Home Administration, a \$250,000 issue bearing interest at 9.5 per cent and a \$20,000 issue bearing interest at 9.125 per cent. The combined principal payments for the two issues range from \$24,000 to \$51,000 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 bond payable transactions for the year ended December 31, 1996:

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

| | |
|---------------------------------------|------------------|
| Bank Balances | <u>\$247,840</u> |
| Federal deposit insurance | \$100,000 |
| Pledged securities (uncollateralized) | <u>459,956</u> |
| Total | <u>\$807,796</u> |

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 38:1229 imposes a statutory requirement on the collateral bank to advertise and sell the pledged securities within 30 days of being notified by the district that the fiscal agent bank has failed to pay deposited funds upon demand.

G. RESTRICTED ASSETS

Certain resources of the Enterprise Fund set aside for the repayment of revenue bonds and the refunding of customer deposits are classified as restricted assets on the balance sheet because their use is limited.

H. 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 free day per calendar year, after 90 days continuous employment.

I. 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.

RAIRIE ROAD WATER DISTRICT

Monroe, Louisiana

Notes to the financial statements (Continued)

estimated useful lives of 20 to 50 years for the wells, water tanks and lines, 10 years for buildings, and 5 to 10 years for equipment. Long-term debt is recognized within the enterprise fund.

E. 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 as 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 operations 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.

F. CASH

Cash includes amounts in 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, or any other state of the United States, or under the laws of the United States. At December 31, 1996, the district has cash (bank balances) totaling \$248,072, as follows:

| | |
|----------------------------------|------------------|
| Petty cash | \$200 |
| Interest bearing demand deposits | <u>247,872</u> |
| Total | <u>\$248,072</u> |

These deposits are stated at cost, which approximates market. Under state law, time deposits (or the sweeping 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, 1996, are secured as follows:

PLAQUEMINE ROAD WATER DISTRICT

Monroe, Louisiana

Notes to the financial statements (Continued)

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:

- 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 5 per cent of the amount to be paid into the Water Revenue Bond and Interest Sinking Fund each month until \$56,808 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 annual 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, 1986 the district has \$177,770, in restricted accounts to meet reserve requirements. Of that amount, \$55,308, is offset by current liabilities, with the remaining \$144,470 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, 1986:

| | 1972 Issue | 1983 Issue | Total |
|--|-----------------|-----------------|------------------|
| Bond reserve accounts at January 1, 1986 | \$80,257 | \$84,285 | \$164,542 |
| Deposits | 28,436 | 52,845 | 74,281 |
| Interest earnings | 1,806 | 2,386 | 4,192 |
| Bond and interest payments | <u>(28,990)</u> | <u>(65,285)</u> | <u>(196,275)</u> |
| Bond reserve accounts at December 31, 1986 | <u>\$82,609</u> | <u>\$85,441</u> | <u>\$177,770</u> |

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 | \$12,788 |
| Bad debt expense | 719 |
| Changes in assets and liabilities: | |
| (Increase) in accounts receivable | (1,516) |
| (Increase) in inventory | (200) |
| Increase in accounts and notes payable | 5,773 |
| Increase in customer deposits | 960 |
| Total adjustments | <u>27,890</u> |
| Net cash provided by operating activities | <u>\$80,112</u> |

(Continued)

The accompanying notes are an integral part of this statement.

PRairie Road Water District
Morgan, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUND
Statement of Revenues, Expenses, and
Changes in Retained Earnings, etc.

| | |
|---|-------------------------|
| NON-OPERATING REVENUES (Expenses) | |
| Interest income | \$5,803 |
| Interest expense | <u>(38,171)</u> |
| Total non-operating revenues (expenses) | <u>(32,368)</u> |
| NET INCOME | 29,166 |
| RETAINED EARNINGS AT BEGINNING OF YEAR | <u>280,897</u> |
| RETAINED EARNINGS AT END OF YEAR | <u>\$310,063</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 Revenues, Expenses, and
 Changes in Retained Earnings
 For the Year Ended December 31, 1996*

| | |
|------------------------------|----------------|
| OPERATING REVENUES | |
| Water sales | \$218,299 |
| Connection fees | 8,249 |
| Rate charges | 5,237 |
| Other | 3,092 |
| Total operating revenues | <u>240,877</u> |
| OPERATING EXPENSES | |
| Bad debt expense | 719 |
| Commissioner's fees | 1,328 |
| Chlorine and chemicals | 7,300 |
| Depreciation | 22,798 |
| Equipment rental | 1,677 |
| Extra labor | 235 |
| Gas and oil | 7,085 |
| Insurance | 4,889 |
| Insurance - group | 3,022 |
| Maintenance and repairs | 9,590 |
| Office supplies and expenses | 2,060 |
| Paper | 617 |
| Payroll taxes | 8,236 |
| Postage | 3,408 |
| Professional fees | 4,754 |
| Salaries and wages | 75,347 |
| Supplies and parts | 10,799 |
| Training and conventions | 340 |
| Truck repairs | 1,988 |
| Utilities and telephone | 20,706 |
| Other operating expenses | 629 |
| Total operating expenses | <u>180,600</u> |
| OPERATING INCOME | <u>62,277</u> |
| (Continued) | |

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

LIABILITIES AND FUND EQUITY ACCOUNTS:

| | |
|-----------------------------------|-----------------|
| Fund Equity - retained earnings: | |
| Reserved for inventory | \$4,924 |
| Reserved for debt retirement | 148,470 |
| Unreserved | <u>170,609</u> |
| Total fund equity | <u>323,993</u> |
| | |
| TOTAL LIABILITIES AND FUND EQUITY | <u>5815,205</u> |

(Continued)

The accompanying notes are an integral part of this statement.

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

Balance Sheet, December 31, 1998

ASSETS

| | |
|---|-------------------------|
| Current assets: | |
| Cash | \$62,027 |
| Accounts receivable - water sales | 18,323 |
| Accounts receivable - other | 168 |
| Inventory | 4,954 |
| Total current assets | <u>85,472</u> |
| Restricted assets - cash: | |
| Bond reserve accounts | 171,719 |
| Customer deposit accounts | 8,280 |
| Total restricted assets | <u>180,000</u> |
| Property, plant and equipment (net of accumulated depreciation) | 543,813 |
| TOTAL ASSETS | <u>\$811,360</u> |

LIABILITIES AND FUND EQUITY

| | |
|--|-----------------------|
| Current liabilities (payable from current assets): | |
| Accounts payable | 39,683 |
| Payroll taxes payable | 2,629 |
| Sales tax payable | 524 |
| Total current liabilities (payable from current assets) | <u>42,836</u> |
| Current liabilities (payable from restricted assets): | |
| Customer deposits | 8,280 |
| Bonds payable | 32,000 |
| Accrued interest payable | 1,500 |
| Total current liabilities (payable from restricted assets) | <u>41,780</u> |
| Long-term liabilities - revenue bonds payable | 444,852 |
| Total liabilities | <u>495,300</u> |

(Continued)

M. Carlton Dumas
CERTIFIED PUBLIC ACCOUNTANT

RECEIVED
OFFICE OF THE COMPTROLLER
NOV 29 11 56 AM '94

349-BROADMOOR ROAD • CALDERON, LOUISIANA 71228 • TELEPHONE 337-944-5100

MANAGEMENT LETTER

PRABIE ROAD WATER DISTRICT
Marron, Louisiana

In planning and performing my audit of Prairie Road Water District's financial statements for the year ended December 31, 1998, a certain matter came to my attention which I feel should be conveyed to management of the district. This matter, which was appropriate for inclusion in the various auditor's reports accompanying the financial statements, is an item which I feel should be brought to your attention.

ALLEGATION OF POSSIBLE
VIOLATION OF ARTICLE VII,
SECTION 14 OF THE
LOUISIANA CONSTITUTION

During the planning phase of my audit, it was brought to my attention that, during the year ended December 31, 1998, a member of the Ouachita Parish Police Jury filed a complaint with the Ouachita Parish Sheriff's Office stating that one of the district's employees used the district's equipment to copy political campaign literature during business hours. Article VII, Section 14 of the Louisiana Constitution provides, in part, that the property of a political subdivision of the State of Louisiana shall not be loaned or donated to or for any person, association, or corporation, public or private. A copy of the sheriff's office report on the incident was provided to me. This report alleges that an employee spent approximately two and a half hours at a private business copying political campaign literature during the water district's business hours. Based on this report, I performed expanded audit procedures to test the district's payroll and office supplies expense for the year ended December 31, 1998. There was no significant increase in payroll or office supplies expense during the time the alleged incident occurred nor did the results of my procedures indicate any unusual or unexpected expenses during the year ended December 31, 1998. Assuming the allegations are true, the total amount of expenses possibly incurred by the district as a result of the incident are estimated to be less than \$50 and are clearly immaterial to the district's financial statements. However, I do recommend, that in the future, no property of the district be loaned to or donated to any person or to any public or private organization.

FRANK ROAD WATER DISTRICT
Monroe, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 1996

PER DIEM PAID COMMISSIONERS

The schedule of per diem paid to commissioners is presented in compliance with House Concurrent Resolution No. 34 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.

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1986

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Prairie 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 \$50 for each meeting if they meet every other month, \$25 for each regular monthly meeting, and \$25 for each special board meeting they attend.

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of Prairie Road Water District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles.

B. 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 include:

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

FRANKLIN ROAD WATER DISTRICT

Management Letter

Page Two

GENERAL

I am available to assist the district with any problems or questions they may have concerning the above or any other matters.



Carlos Thomas

April 11, 1997

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 OMB 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 programs. 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.



Monroe, Louisiana
April 11, 1997

PRAIRIE ROAD WATER DISTRICT
Monroe, LouisianaSchedule of Per Diem Paid Commissioners
For the Year Ended December 31, 1996

| | |
|-----------------------------------|----------------|
| Derek E. Hiale, Vice-President | \$300 |
| James Johnson | 200 |
| Cleo Moore, Second Vice-President | 300 |
| Robert Price, Secretary/Treasurer | 250 |
| Tommy Price, President | <u>375</u> |
| Total | <u>\$1,525</u> |

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

Statement of Cash Flow
 For the Year Ended December 31, 1998

| | |
|--|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash received from customers | \$241,297 |
| Cash paid to suppliers and employees | (98,249) |
| Cash paid to others for services, taxes, etc. | (53,297) |
| Customer deposits (net) | <u>360</u> |
| Net cash provided by operating activities | <u>99,111</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | |
| Principal and interest on revenue bonds | (66,235) |
| Acquisition of fixed assets | <u>(8,213)</u> |
| Net cash used by capital financing activities | <u>(74,448)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest earned on bank deposits | <u>5,305</u> |
| NET INCREASE IN CASH | 30,369 |
| CASH AT BEGINNING OF YEAR | <u>227,308</u> |
| CASH AT END OF YEAR | <u>\$258,077</u> |
| RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| Net operating income | <u>382,233</u> |

(Continued)

BOARD OF COMMISSIONERS
PRairie ROAD WATER DISTRICT

Monroe, Louisiana
Independent Auditor's Report
December 31, 1990

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 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 April 11, 1997, on my consideration of Prairie Road Water District's internal control structure and a report dated April 11, 1997, on the district's compliance with laws and regulations.



Calhoun, Louisiana
April 11, 1997

M. Carlton Pumas
CERTIFIED PUBLIC ACCOUNTANT

508 THREE OAKS ROAD • CALICOUD, LOUISIANA 71228 • Telephone: 338-914-8776

Independent Auditor's Report

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

I have audited the general purpose financial statements of Pralrie Road Water District, a component unit of the Ouachita Parish Police Jury, as of December 31, 1996, 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-128, Audit of State and Local Governments*; and the United States Department of Agriculture *Farmers Home Administration (FHA) Audit Program, (1989 edition)*. These standards, OMB A-128, and the FHA 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 misstatements. 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 statements 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 respects, the financial position of Pralrie Road Water District, as of December 31, 1996, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

C O N T E N T S

| | Schedule | Page No. |
|--|----------|----------|
| Independent Auditor's Reports Required by Government Auditing Standards, COSB Circular A-128, Audits of State and Local Governments, and United States Department of Agriculture Forests Home Administration (DNR) Audit Program (1989 edition) | | |
| Report on Schedule of Federal Financial Assistance | | 24 |
| Schedule of Federal Financial Assistance | 2 | 25 |
| Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards | | 26 |
| Report on Compliance With General Requirements Applicable to Federal Financial Assistance Programs | | 28 |
| Report on Compliance With Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions | | 29 |
| Report on Internal Control Structure Based on An Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards | | 30 |
| Report on Internal Control Structure Used in Administering Federal Financial Assistance Programs | | 32 |

ORIGINAL
FILE COPY
DO NOT REMOVE
FROM ORIGINAL
DATE OF ISSUE
MAY 19 1994

8204

PROPERTY
APPROPRIATELY
50 60 20 20 01 04

FRANK ROAD WATER DISTRICT
Blount, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1993
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the parish, or notched, writery and other appropriate public officials. The report is available for public inspection at the Blount Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Reference Date 5/11/94

**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, 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.

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, 1996, 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 non-major federal financial assistance program.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

349 DUNDREIGHT ROAD • CALBOON, LOUISIANA 71225 • TELEPHONE 318/648-8728

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

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, 1996, and for the year then ended, and have issued my report thereon dated April 11, 1997.

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, 2000 edition*. These standards, OMB Circular A-128, and the FWA 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, 1996, I considered the internal control structure of Prairie Road Water District in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements of Prairie Road Water District and to report on the internal control structure in accordance with OMB Circular A-128 and the FWA 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 April 11, 1997.

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, 1998, 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.



Arthur J. Jones
Caldwell, Louisiana
April 21, 1997

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Schedule of Federal Financial Assistance
For the Year Ended December 31, 1996

| FEDERAL GRANTOR - PROGRAM NAME: | CIDA SUMMER | LOAN BALANCE DECEMBER 31 1996 |
|--|----------------|-------------------------------------|
| United States Department of Agriculture - Rural Economic and Community Development Direct Program - Water and Waste Disposal Systems For Rural Communities | 10,418 | <u>\$235,832</u> |

M. Carlson Pumas
CERTIFIED PUBLIC ACCOUNTANT

399 DOWNSHOLLOM ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/844-3728

**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
PRABLE ROAD WATER DISTRICT
Monroe, Louisiana

I have audited the general purpose financial statements of Prable Road Water District, as of December 31, 1996, and for the year then ended, and have issued my report thereon dated April 11, 1997.

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 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.

The management of Prable 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. 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.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

360 Government House • CALIBOU, LOUISIANA 70225 • TELEPHONE 318/644-5718

**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, 1996 and for the year then ended, and have issued my report thereon dated April 11, 1997.

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, *Audit of State and Local Governments* and the United States Department of Agriculture *Farmer 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, 1996. 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.


Calibou, Louisiana
April 11, 1997

M. Carlton Dumas
CERTIFIED PUBLIC ACCOUNTANT

305 INDUSTRIAL HIGH ROAD • CALIBOU, LOUISIANA 71225 • TELEPHONE 318/694-2720

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

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

I have audited the general purpose financial statements of Prairie Road Water District as of December 31, 1986 and for the year then ended, and have issued my report thereon dated April 11, 1987.

I have applied procedures to test Prairie Road Water District's compliance with the following requirements applicable to its federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1986:

- 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 Audits 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 Prairie 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 these 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 Prairie 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 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
April 11, 1987

**Independent Auditor's Reports Required by
Government Auditing Standards, OMB
Circular A-128, Audit of State and Local
Governments, and United States Department of
Agriculture Forestry Home Administration
(FEMA) 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-128, *Audit of State and Local Governments*; the United States Department of Agriculture Forestry Home Administration (FEMA) *Audit Program, (1989 edition)* and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

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.



Arthur J. Jones
Caldwell, Louisiana
April 11, 1967

M. Carlton Dumas
CERTIFIED PUBLIC ACCOUNTANT

1499 DORSEYWOOD ROAD • CALDWAY, LOUISIANA 71228 • TELEPHONE 318/644-8728

**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
Monroe, Louisiana

I have audited the general purpose financial statements of Prairie Road Water District, as of December 31, 1990 and for the year then ended, and have issued my report thereon dated April 13, 1991.

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 Farmers Home Administration (FARMA) Audit Program (1989 edition) and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. These standards, OMB Circular A-128, the FARMA 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.

I noted a certain immaterial instance of noncompliance that I have reported to the management of Prairie Road Water District in a separate letter dated April 11, 1991.

M. Carlton Dumas
CERTIFIED PUBLIC ACCOUNTANT

3407 DERALGHEON ROAD • CALIBOU, LOUISIANA 71225 • TELEPHONE 518/544-5725

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

**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, 1987, and for the year then ended, and have issued my report thereon dated April 11, 1987. 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 *Farmers Home Administration (FmHA) Audit Program* (1989 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. 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 statements 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 prepared 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.


Calibou, Louisiana
April 11, 1987

IRABIE ROAD WATER DISTRICT
Monroe, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1986
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 Per Diem Paid Commissioners | I | 22 |