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HIDEAWAY ROAD SEWERAGE DISTRICT #1

*Ouachita Parish Police Jury
Monroe, Louisiana*

AUDIT REPORT

for and for the Year Ended December 31, 1968

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

Release Date June 24, 1969

HIDEAWAY ROAD SUBDIVISION SEWERAGE DISTRICT #1

**Component Unit Financial Statements As of and For the Year Ended
December 31, 1997**

With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Hideway Road Subdivision Sewerage District #1
Monroe, Louisiana
May 28, 1998

I have audited the accompanying general purpose financial statements of Hideway Road Subdivision Sewerage District #1, a component unit of The Ouachita Parish Police Jury, as of and for the year ended December 31, 1997, 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. These standards 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 above present fairly, in all material respects, the financial position of the Hideway Road Subdivision Sewerage District #1 as of December 31, 1997, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The financial information listed as supplemental information schedules in the table of contents is presented for purposes of additional analysis, and is not a required part of the financial statements of Hideway Road Subdivision Sewerage District #1. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated May 28, 1998, on my consideration of Highway Road Subdivision Sewerage District #1's internal control structure and a report dated May 28, 1998, on its compliance with certain provisions of law, regulations, and grants.



JESSIE SELF, CPA

BIBBWAY ROAD SEWERAGE DISTRICT #1
ORLEANS PARISH POLICE JURY
MONROE, LOUISIANA 70001
PROPRIETARY FUND - ENTERPRISE FUND
BALANCE SHEET DECEMBER 31, 1997

ASSETS	<u>1997</u>
CURRENT ASSETS:	
Cash	
ACCOUNTS RECEIVABLE	811,450
INTEREST RECEIVABLE	5,760
TOTAL CURRENT ASSETS	<u>817,210</u>
RESTRICTED ASSETS:	
Cash	
TOTAL RESTRICTED ASSETS	<u>18,000</u>
PROPERTY, PLANT AND EQUIPMENT:	
PROPERTY, PLANT AND EQUIPMENT	
LESS ACCUMULATED DEPRECIATION	176,820
NET PROPERTY, PLANT AND EQUIPMENT	<u>176,820</u>
TOTAL ASSETS	<u>1,012,030</u>
LIABILITIES AND FUND EQUITY:	
NO LIABILITIES	<u>0</u>
FUND EQUITY:	
RETAINED EARNINGS	102,000
TOTAL FUND EQUITY	<u>102,000</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>1,012,030</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

12/31/97

HENRYWAY ROAD SEWERAGE DISTRICT #1
 BOULDER PARK POLICE JURY
 MONROE, LOUISIANA
 PROPRIETARY FUND - ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	2007
OPERATING REVENUES:	
SERVICE INCOME	(21,964)
TOTAL OPERATING REVENUES:	<u>(21,964)</u>
OPERATING EXPENSES:	
INSURANCE	00
OFFICE EXPENSE	00
SUPPORTS/STAFF	1,500
ELECTRICAL	400
REPAIR/MAINTENANCE	00
LEGAL/PROFESSIONAL	1,000
AGENT FEES	70
COLLECTION EXP	50
DEPRECIATION EXP	4,270
ENGINEERING FEES	
TOTAL OPERATING EXPENSES:	<u>11,770</u>
OPERATING INCOME (LOSS):	00
NONOPERATING REVENUES/EXPENSES:	
INTEREST INCOME	1,270
INTEREST EXPENSE	(1,270)
TOTAL NONOPERATING REVENUES/EXPENSES:	<u>000</u>
NET INCOME (LOSS):	00
RETAINED EARNINGS AT BEGINNING OF YEAR:	<u>(21,100)</u>
RETAINED EARNINGS AT END OF YEAR:	<u>(21,100)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

MINNESOTA POWER SERVICE DISTRICT
60-ACCTA PUBLIC POLICE 2000
MEMPHIS, TENNESSEE
PROJECTS AND FUNDS - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 12/31/00

CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCREASE/DECREASE FROM OPERATIONS	504	504
ADJUSTMENTS TO RECONCILE NET INCOME FROM OPERATIONS TO CASH FLOWS:		
DEPRECIATION	409	409
TRANSITION ASSETS AND LIABILITIES:		
NET INCREASE/DECREASE IN ACCOUNTS RECEIVABLE	548	
NET INCREASE/DECREASE IN ACCOUNTS PAYABLE		
		<u>1,461</u>
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		<u>1,465</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
PURCHASE OF FIXED ASSETS	(619)	
NET CASH USED FOR INVESTING ACTIVITIES:		<u>(619)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
PAID IN BY LONG TERM BONDS	1,084	
NET CASH USED BY FINANCING ACTIVITIES:		<u>(1,084)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS:		<u>762</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR:		<u>6,473</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR:		<u>7,235</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
NET INCOME (LOSS)		
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
DEPRECIATION	409	
INTEREST PAID	149	
		<u>558</u>
		<u>1,465</u>
		<u>1,465</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

44-00000

HIDEAWAY ROAD SEWERAGE DISTRICT of OF OUAUCHITA PARISH

Notes To The Financial Statements
As of and For the Year Ended December 31, 1997

INTRODUCTION

The Hideaway Road Sewerage District #1, Monroe, Louisiana, (the "District") was created by an ordinance adopted on October 21, 1985, by the Ouachita Parish Police Jury. However, there was no activity in 1985. The District was created to construct a sewer system for the approximately 300 residences in the Hideaway Road area. The District is governed by a Board of four Directors appointed by the Ouachita Parish Police Jury. There is no payroll, since the District is managed by a private contractor. The Board members receive no compensation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit financial statements of the Hideaway Road Sewerage District of Ouachita Parish 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 establishing 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 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 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 criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include:

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Organizations for which the police jury does not appoint a voting majority but are faculty dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury has the authority to perform the above three steps, 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

The Hideaway Road Sewerage District #1 of Ouachita Parish 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.

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 uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. The Enterprise Fund uses the following practices in recording certain revenues and expenses:

Revenues

Revenues consist of income from users of the sewer line in the district. Billing is done monthly, and the payments are collected and deposited; interest income is a result of bank accounts bearing interest.

Expenses

Expenses are reported when the liability occurs. Major expenses are:

Supervisory	5,502
Legal & Professional	1,252

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and other money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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 Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The district has no investments.

F. ENCUMBRANCES

The District does not use encumbrance accounting.

G. RESTRICTED ASSETS

Restricted assets are classified on the balance sheet of the fund because their use is limited to payment of bond principal and interest.

H. FIXED ASSETS

Fixed assets of the district are valued at historical cost and are included on the balance sheet of the fund, net of accumulated depreciation. Construction period interest is immaterial and is not capitalized. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of periods from 5 to 40 years.

I. COMPENSATED ABSENCES

The district does not have a formal leave policy.

J. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the enterprise fund.

K. FUND EQUITY

Contributed Capital

Grants, endowments, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized.

HIDEAWAY ROAD SEWERAGE DISTRICT #1 OF QUACHITA PARISH**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****Reserves**

Reserves represent those portions of fund equity legally segregated for a specific future use.

2. CASH AND CASH EQUIVALENTS

At December 31, 1997, the district has cash and cash equivalents (bank balances) totaling \$ as follows:

Demand Deposits	\$7,152
Restricted Assets	<u>28,123</u>
TOTAL	<u><u>\$35,275</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1997, the district has \$28,123 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB 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 has failed to pay deposited funds upon demand.

3. RECEIVABLES

The following are the results of a special assessment of \$2.00 per front foot levied against property owners:

Total Levied	\$49,879
Total Received	<u>247,427</u>
Balance at 12-31-97	1,652
Other Accounts Receivable	<u>4,118</u>
TOTAL	<u><u>\$273,636</u></u>

4. FIXED ASSETS

A summary of fixed assets at December 31, 1996, follows:

HIDELAY ROAD SEWERAGE DISTRICT #1 OF ORACHITA PARISH
 NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Plant & Equipment 12-31-06	312,973	31,183	281,790
Add's 1997	706	6,275	-5,569
Plant & Equipment 12-31-07	<u>313,679</u>	<u>37,458</u>	<u>276,221</u>

5. LONG - TERM LIABILITIES

Long-Term Obligations Payable at 12-31-07	22,887
Paid in 1997	<u>22,887</u>
Long-Term Obligations Payable at 12-31-07	0

6. PENSION PLAN

None.

7. OTHER POST - EMPLOYMENT BENEFITS

None.

8. RELATED PARTY TRANSACTIONS

None.

9. LITIGATION AND CLAIMS

None.

10. SUBSEQUENT EVENTS

None.

11. OTHER SUPPORT

None.

SUPPLEMENTARY INFORMATION

**SEWERAGE DISTRICT #1
OF ORACHTA PARISH**

**Supplemental Information Schedule
As of and for the year then ended December 31, 1997**

COMPENSATION PAID TO BOARD MEMBERS

The following schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 24 of the 1979 Session of the Louisiana Legislature.

*Schedule of Compensation Paid Board Members as of and for the Year Ended
December 31, 1997*

Don Walker-Chairman 407 Raymond Drive Monroe, LA 71209	343-4886 323-6400	0.00
Nan Woods 507 Raymond Drive Monroe, LA 71205	343-8822	0.00
Bill Brodie 323 Raymond Drive Monroe, LA 71203	343-6934 251-5527	0.00
Ray Desjard 205 Raymond Drive Monroe, LA 71203		0.00
Bruce Mithersbaugh 180 Raymond Drive Monroe, LA 71203	343-8947	0.00
C. Jarvis Thomas 413 Raymond Drive Monroe, LA 71203	343-8966	0.00

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

Board of Commissioners
Hidaway Road Subdivision Sewerage District #1
Monroe, Louisiana
May 28, 1998

I have audited the general purpose financial statements of the Hidaway Road Subdivision Sewerage District #1, a component unit of the Ouachita Parish Police Jury, as of and for the year ended December 31, 1997 and have issued my report thereon dated May 28, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Hidaway Road Subdivision Sewerage District #1, Monroe, La.'s, general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Hidaway Road Subdivision Sewerage District #1, Monroe, La.'s, internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively

low level the risk that misstatements in amounts that would be material in relation to the 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 over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Highway Road Subdivision Sewerage (District #1)'s management and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Russell Self, CPA

Russell Self, CPA

Monroe, Louisiana

May 28, 1998