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

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

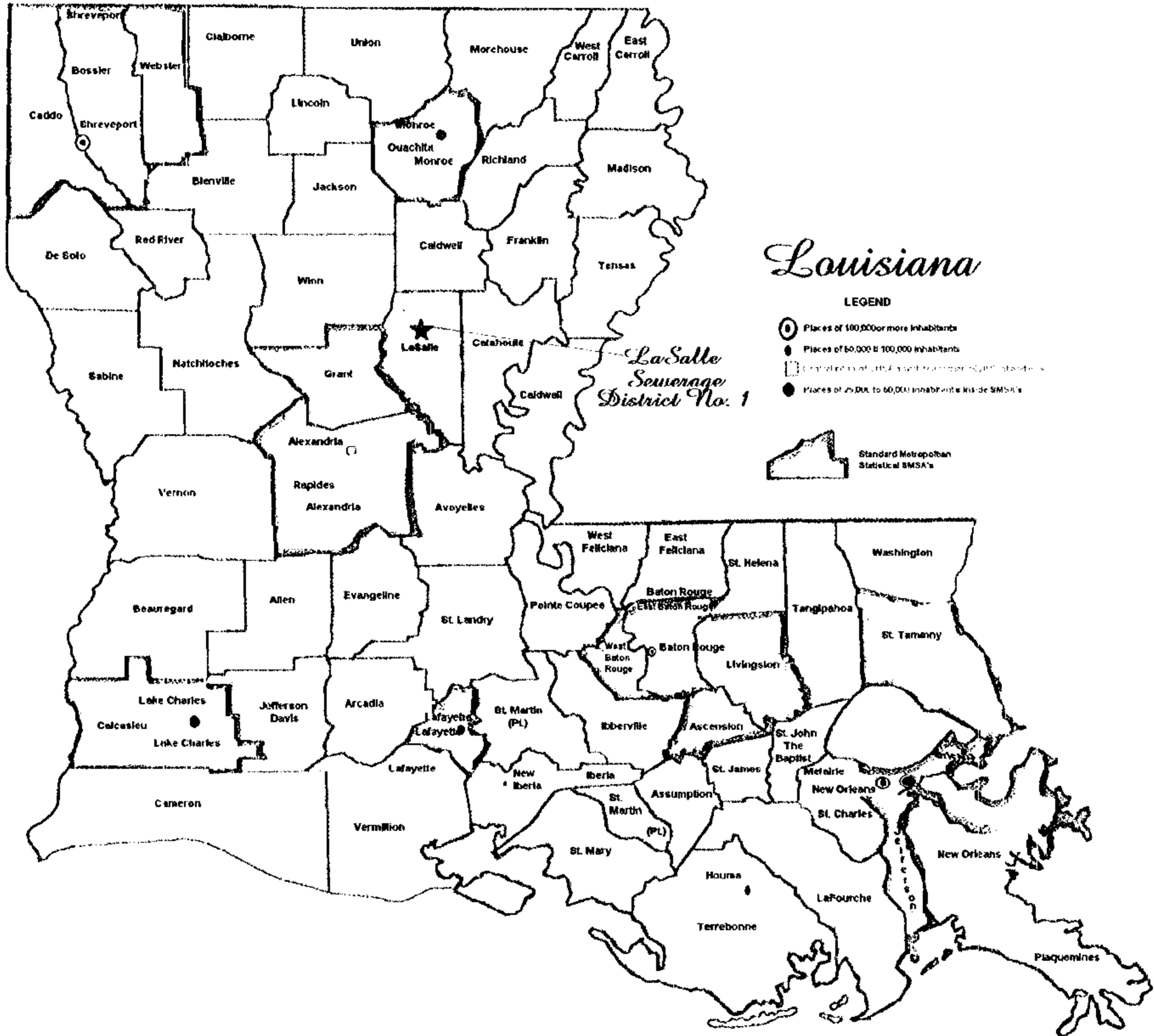
December 31, 1998

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.

MAY 05 1999

Release Date _____

LASALLE SEWERAGE DISTRICT NO. 1
TROUT, LA. 71371



*** LaSalle Sewerage District No. 1**

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

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

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JOHN R. VERCHER PC

Certified Public Accountant

P.O. Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

ACCOUNTANT'S COMPILATION REPORT ON COMPONENT UNIT FINANCIAL STATEMENTS

Board of Commissioners

LaSalle Parish Sewerage District No. 1

LaSalle Parish Police Jury

Jena, Louisiana 71342

I have compiled the component unit financial statements, supplemental information and graphs of the LaSalle Sewerage District No. 1, as of and for the year ended December 31, 1998, and December 31, 1997 as listed in the table of contents, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provision of state law, I have issued a report, dated February 21, 1999, on the results of our agreed-upon procedures.

February 21, 1999
Jena, Louisiana

John R. Vercher

JOHN R. VERCHER PC

Certified Public Accountant

P.O. Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of
LaSalle Parish Sewerage
District No. 1
LaSalle Parish Police Jury
Jena, Louisiana 71342

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of LaSalle Parish Sewerage District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about LaSalle Sewerage District No. 1's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

* I found no such expenditures.

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

* Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

* Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

* None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

* The District has no general funds to budget.

6. Trace the budget adoption and amendments to the minute book.

* Not applicable

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

* Not applicable

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

* I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

* All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

* Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the chairman of the Board of Commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

* The District meets on the third Monday of each month.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.

* I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

* A reading of the minutes of the district for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I did not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of LaSalle Sewerage District No. 1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

John R. Vercher

Jena, Louisiana

February 21, 1999

LASALLE PARISH SEWERAGE DISTRICT NO. 1
 LASALLE PARISH POLICE JURY
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUP
 DECEMBER 31, 1998

	SYSTEM REVENUE FUND	DEBT SERVICE FUND	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash	\$ 33,223	\$ 13,602	\$ -0-	\$ 46,825
Restricted Cash (Note 3)	164,469	-0-	-0-	164,469
Current Receivables (Note 4)	45,693	14,718	-0-	60,411
Fixed Assets (Note 6)	2,085,716	-0-	-0-	2,085,716
Amount Available in Debt Service	-0-	-0-	28,320	28,320
Amount to be Provided for Retirement Of Long-Term Debt from Future Revenue	-0-	-0-	71,437	71,437
Total	\$ 2,329,101	\$ 28,320	\$ 99,757	\$ 2,457,178
LIABILITIES AND FUND EQUITY				
Accounts Payable	\$ 13,600	\$ -0-	\$ -0-	\$ 13,600
Payable from Restricted Assets:				
Accrued Interest	39,424	-0-	-0-	39,424
Refundable Deposits	13,280	-0-	-0-	13,280
Current Revenue Bonds	23,681	-0-	-0-	23,681
Deductions Payable from Ad Valorem Taxes:				
Retirement System	905	-0-	-0-	905
Notes Payable	13,834	-0-	-0-	13,834
Bonds Payable:				
Revenue Bonds	1,022,322	-0-	-0-	1,022,322
G.O. Bonds	-0-	-0-	99,757	99,757
Total Liabilities	\$ 1,127,046	\$ -0-	\$ 99,757	\$ 1,226,803
Retained Earnings Reserved For Bond Contingency	\$ 72,784	\$ -0-	\$ -0-	\$ 72,784
Retained Earnings Reserved For Debt Service	67,683	-0-	-0-	67,683
Retained Earnings Unreserved	(576,551)	-0-	-0-	(576,551)
Total Retained Earnings	\$ (436,084)	-0-	\$ -0-	\$ (436,084)
Contributed Capital	\$ 1,638,139	\$ -0-	\$ -0-	\$ 1,638,139
Fund Balance	-0-	28,320	-0-	28,320
Total Fund Equity	\$ 1,202,055	\$ 28,320	\$ -0-	\$ 1,230,375
Total Liability and Equity	\$ 2,329,101	\$ 28,320	\$ 99,757	\$ 2,457,178

See Accountant's Compilation Report
 The notes to the financial statements are an integral part of this statement.

LASALLE PARISH SEWERAGE DISTRICT NO. 1
 LASALLE PARISH POLICE JURY
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUP
 DECEMBER 31, 1997

	SYSTEM REVENUE FUND	DEBT SERVICE FUND	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash	\$ 23,555	\$ 12,236	\$ -0-	\$ 35,791
Restricted Cash (Note 3)	151,235	-0-	-0-	151,235
Current Receivables (Note 4)	43,063	11,375	-0-	54,438
Fixed Assets (Note 6)	2,104,757	-0-	-0-	2,104,757
Amount Available in Debt Service	-0-	-0-	23,611	23,611
Amount to be Provided for Retirement Of Long-Term Debt from Future Revenue	-0-	-0-	81,348	81,348
Total	\$ 2,322,610	\$ 23,611	\$ 104,959	\$ 2,451,180
LIABILITIES AND FUND EQUITY				
Accounts Payable	\$ 15,006	\$ -0-	\$ -0-	\$ 15,006
Payable from Restricted Assets:				
Accrued Interest	40,279	-0-	-0-	40,279
Refundable Deposits	12,525	-0-	-0-	12,525
Current Revenue Bonds	23,030	-0-	-0-	23,030
Deductions Payable from Ad Valorem Taxes:				
Retirement System	738	-0-	-0-	738
Notes Payable	-0-	-0-	-0-	-0-
Bonds Payable:				
Revenue Bonds	1,046,004	-0-	-0-	1,046,004
G.O. Bonds	-0-	-0-	104,959	104,959
Total Liabilities	\$ 1,137,582	\$ -0-	\$ 104,959	\$ 1,242,541
Retained Earnings Reserved For Bond Contingency	\$ 71,603	\$ -0-	\$ -0-	\$ 71,603
Retained Earnings Reserved For Debt Service	42,166	-0-	-0-	42,166
Retained Earnings Unreserved	(566,880)	-0-	-0-	(566,880)
Total Retained Earnings	\$ (453,111)	-0-	\$ -0-	(453,111)
Contributed Capital	\$ 1,638,139	\$ -0-	\$ -0-	\$ 1,638,139
Fund Balance	-0-	23,611	-0-	23,611
Total Fund Equity	\$ 1,185,028	\$ 23,611	\$ -0-	\$ 1,208,639
Total Liability and Equity	\$ 2,322,610	\$ 23,611	\$ 104,959	\$ 2,451,180

See Accountant's Compilation Report
 The notes to the financial statements are an integral part of this statement.

LASALLE PARISH SEWERAGE DISTRICT NO. 1
LASALLE PARISH POLICE JURY

Comparative Statement of Revenues, Expenses and Changes in Retained Earnings
For the Year Ended December 31, 1998 and December 31, 1997

	<u>1998</u>	<u>1997</u>
Revenue		
Service Charge	\$ 216,034	\$ 207,565
Ad Valorem Tax	32,581	28,868
Miscellaneous	1,440	-0-
Grant Income	30,686	-0-
	<u>\$ 280,741</u>	<u>\$ 236,433</u>
Expenses		
Salaries	\$ 36,936	\$ 36,599
Office Supplies and Expenses	1,324	631
Deduction From Ad Valorem Tax For Retirement System	905	738
Insurance	18,060	8,455
Utilities	10,047	11,139
Supplies	15,079	7,397
Maintenance and Repair	10,440	9,768
Truck Expense	2,271	2,748
Sewer Treatment	48,089	49,789
Depreciation	69,585	63,250
Official Journal	225	95
Professional Fees	1,720	1,720
Miscellaneous	268	98
	<u>\$ 214,949</u>	<u>\$ 192,427</u>
Total Operating Expenses		
	<u>\$ 65,792</u>	<u>\$ 44,006</u>
Operating Income (Loss)		
	<u>\$ 214,949</u>	<u>\$ 192,427</u>
	<u>\$ 65,792</u>	<u>\$ 44,006</u>
Non-Operating Revenue (Expenses)		
Interest Income	\$ 5,066	\$ 4,499
Interest Expense	(53,831)	(53,528)
	<u>\$ (48,765)</u>	<u>\$ (49,029)</u>
Total Non-Operating Revenue (Expenses)		
	<u>\$ (48,765)</u>	<u>\$ (49,029)</u>
Net Income/(Loss)		
	<u>\$ 17,027</u>	<u>\$ (5,023)</u>
Retained Earnings Beginning of Year	(453,111)	(448,088)
	<u>\$ (436,084)</u>	<u>\$ (453,111)</u>
Retained Earnings End of Year		

See Accountant's Compilation Report
The notes to the financial statements are an integral part of this statement.

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

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended December 31, 1998 and December 31, 1997

	<u>1998</u>	<u>1997</u>
Revenue		
Ad Valorem Tax	\$ 15,159	\$ 9,991
Total Revenue	<u>\$ 15,159</u>	<u>\$ 9,991</u>
Expenditures		
Bonds Paid	\$ 5,202	\$ 5,097
Bonds Interest Paid	5,248	5,502
Total Expenditures	<u>\$ 10,450</u>	<u>\$ 10,599</u>
Excess of Revenues Over (Under) Expenditures	\$ 4,709	\$ (608)
Fund Balance at Beginning of Year	<u>23,611</u>	<u>24,219</u>
Fund Balance End of Year	<u>\$ 28,320</u>	<u>\$ 23,611</u>

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

Comparative Statement of Cash Flows
 For the Year Ended December 31, 1998 and December 31, 1997

	1997	1998
Cash from Operations:		
Net Income	\$ 17,027	\$ (5,221)
Adjustments to Net Income (Loss):		
Add – Depreciation	\$ 69,585	\$ 63,250
Increase (Decrease) in Other Taxes	167	(343)
Increase (Decrease) in Allowance for Bad Debts	(217)	(10)
Decrease (Increase) in Accounts Receivable	(2,413)	11,068
Increase (Decrease) in Accrued Expenses	(855)	(807)
Increase (Decrease) in Accounts Payable	(1,406)	(5,929)
Increase (Decrease) in Notes Payable	13,834	-0-
Total Adjustments	\$ 78,695	\$ 67,229
Cash Provided From Operations	\$ 95,722	\$ 62,008
Cash Provided by Customer Deposits	755	1,847
Total Cash Provided	\$ 96,477	\$ 63,855
Cash Was Applied To:		
Revenue Bonds Payable	\$ (23,030)	\$ (21,409)
Restricted Assets	(13,234)	(38,650)
Fixed Assets	(50,545)	\$ -0-
Total Cash Applied	(86,809)	\$ (60,059)
Increase in Cash Flow	9,668	3,796
Cash Beginning of Year	23,555	19,759
Cash End of Year	\$ 33,223	\$ 23,555

See Accountant's Compilation Report
 The notes to the financial statements are an integral part of this statement.

*Notes to
Financial Statements*

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

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Fund Accounting-

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

Governmental Funds-

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

Proprietary Funds-

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

Long-Term Liabilities-

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

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

**Notes to Financial Statements
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Long-Term Liabilities - (Cont.)

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

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

General

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

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

Sewer System	50 Years
Miscellaneous Equipment	8 Years

Basis of Accounting

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

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

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

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

Total Columns on Combined Statements-

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

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

**Notes to Financial Statements
(Continued)**

2. AD VALOREM TAXES

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

For the year ended December 31, 1998 taxes were levied, and dedicated as follows:

	TOTAL VALUATION	TAX ASSESSED	MILLS
General Sewer Maintenance	-	\$ 29,436	10.00
Debt Service (G.O. Bonds)	-	14,718	5.00
Total	\$ 2,943,586	\$ 44,154	15.00

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

3. RESTRICTED ASSETS

Restricted assets were applicable to the following at December 31, 1998.

Bond Reserve Account	\$ 67,683
Bond Contingency Account	8,556
Customers' Deposit	15,446
Bond Interest and Redemption	72,784
Total	\$ 164,469

All restricted assets and operating accounts are on deposit at an FDIC Insured Depository. As of December 31, 1998, bank balances are collateralized with FDIC coverage of \$100,000 and pledged securities as follows:

	Par Value	Book Value	Market Value
St. Benard Ph LA School District 1	\$ 140,000	\$ 140,395	\$ 144,778

4. ACCOUNTS RECEIVABLE

Proprietary-

Accounts Receivable	\$ 17,070
Allowance for Bad Debt	(813)
Ad Valorem Tax Receivable	29,436
Total Receivables	\$ 45,693

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

**Notes to Financial Statements
(Continued)**

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

Debt Service-

Ad Valorem Tax Receivable	<u>\$ 14,718</u>
---------------------------	------------------

5. CHANGES IN LONG-TERM DEBT-

The following is a summary of bond transactions of the LaSalle Sewerage District No. 1 for the year ended December 31, 1998.

	General Obligation	Revenue	Total
Bonds Payable at 12-31-97	\$ 104,959	\$ 1,067,761	\$ 1,172,720
Bonds Retired during 1998	(5,202)	(21,758)	(26,960)
Bonds Payable at 12-31-98	<u>\$ 99,757</u>	<u>\$ 1,046,003</u>	<u>\$ 1,145,760</u>

The individual bond issues that comprise the total bonds payable at December 31, 1998 are shown in the supplementary information section of this report under "Combined Schedule of Bonds Payable". General obligation bonds are serviced out of the debt service fund and revenue bonds are serviced out of the Revenue (Proprietary) Fund.

6. PROPRIETARY FUND PROPERTY-

A summary of proprietary fund type property, plant and equipment at December 31, 1998:

System (Cost)	\$ 3,158,211
Less Allowance for Depreciation	(1,072,495)
Net Plant	<u>\$ 2,085,716</u>

7. FLOW OF FUNDS, RESTRICTION ON USE SEWER REVENUE

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

(A) Out of revenue to the "Operations and Maintenance Fund", and amount sufficient to provide for expenses of the system.

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

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

**Notes to Financial Statements
(Continued)**

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

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

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

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

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

8. BOARDMEMBER FEES

The following is a schedule of fees paid boardmembers for the year ended December 31, 1998.

Johnny Ray Dean	\$ 80
Jerry King	620
Albert Jones	620
Grant Wilbanks	-0-
Huey King	60
Total	<u>\$ 1,380</u>

9. ACCUMULATED SICK LEAVE AND VACATION

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

10. LITIGATION

The District had no outstanding judgments or pending litigation as of December 31, 1998.

11. RETIREMENT PLANS

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

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

**Notes to Financial Statements
(Continued)**

12. SEWER RATES

The District's current sewer rates are as follows:

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

13. RETAINED EARNINGS DEFICIT

The District currently has a retained earnings deficit of \$(436,084) due largely to depreciation expense taken on fixed assets financed with grants and other contributed capital.

*SUPPLEMENTARY
INFORMATION*

**Combined Annual Payment Schedule
LaSalle Parish Sewerage District No. 1 of the
Parish of LaSalle, State of Louisiana**

**\$427,000 Sewer Revenue Bonds, Dated March 30, 1978, Bearing Interest at 5% Per Annum
\$58,000 Sewer Revenue Bonds, Dated June 8, 1979, Bearing Interest at 5% Per Annum
\$820,000 Sewer Revenue Bonds, Dated August 30, 1990, Bearing Interest at 5% Per Annum**

<u>March 30 of the Years</u>	<u>Annual Payment</u>
1999	75,991.40
2000	77,491.40
2001	76,891.40
2002	77,291.40
2003	76,641.40
2004	76,991.40
2005	77,291.40
2006	76,541.40
2007	76,791.40
2008	76,991.40
2009	77,141.40
2010	77,241.40
2011	76,291.40
2012	76,341.40
2013	75,341.40
2014	76,291.40
2015	76,191.40
2016	76,041.40
2017	75,841.40
2018	75,591.40
2019	50,291.40
2020	48,191.40
2021	48,191.40
2022	48,191.40
2023	48,191.40
2024	48,191.40
2025	48,191.40
2026	48,191.40
2027	48,191.40
2028	48,191.40
2029	48,191.40
2030	48,191.40

	\$ 2,111,624.80
	=====

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

MATURITY SCHEDULE FOR AN ISSUE OF ONE HUNDRED SEVENTY THOUSAND DOLLARS (\$170,000) OF PUBLIC IMPROVEMENT BONDS OF SEWERAGE DISTRICT NO. 1 OF THE PARISH OF LASALLE, STATE OF LOUISIANA, DATED DECEMBER 1, 1977, AND BEARING INTEREST AT THE RATE OF 5% PER ANNUM.

<u>DATE</u>	<u>1978 ISSUE</u>	<u>1979 ISSUE</u>	<u>GRAND TOTAL</u>
3/30/1999	4,000	6,250	10,250
3/30/2000	4,000	6,050	10,050
3/30/2001	4,000	5,850	9,850
3/30/2002	5,000	5,650	10,650
3/30/2003	5,000	5,450	10,450
3/30/2004	5,000	5,200	10,200
3/30/2005	5,000	4,950	9,950
3/30/2006	6,000	4,700	10,700
3/30/2007	6,000	4,450	10,450
3/30/2008	6,000	4,150	10,150
3/30/2009	6,000	3,850	9,850
3/30/2010	7,000	3,550	10,550
3/30/2011	7,000	3,250	10,250
3/30/2012	7,000	2,900	9,900
3/30/2013	8,000	2,550	10,550
3/30/2014	8,000	2,200	10,200
3/30/2015	9,000	1,800	10,800
3/30/2016	9,000	1,400	10,400
3/30/2017	10,000	950	10,950
	----- \$ 121,000 =====	----- \$ 75,150 =====	----- \$ 196,150 =====

See Accountant's Compilation Report

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

Management Letter Comment

December 31, 1998

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

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

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

B) Current Year Management Letter Comments

- 1) There are no current year Management Letter Comments

GRAPHIS

LASALLE SEWERAGE DISTRICT NO. 1

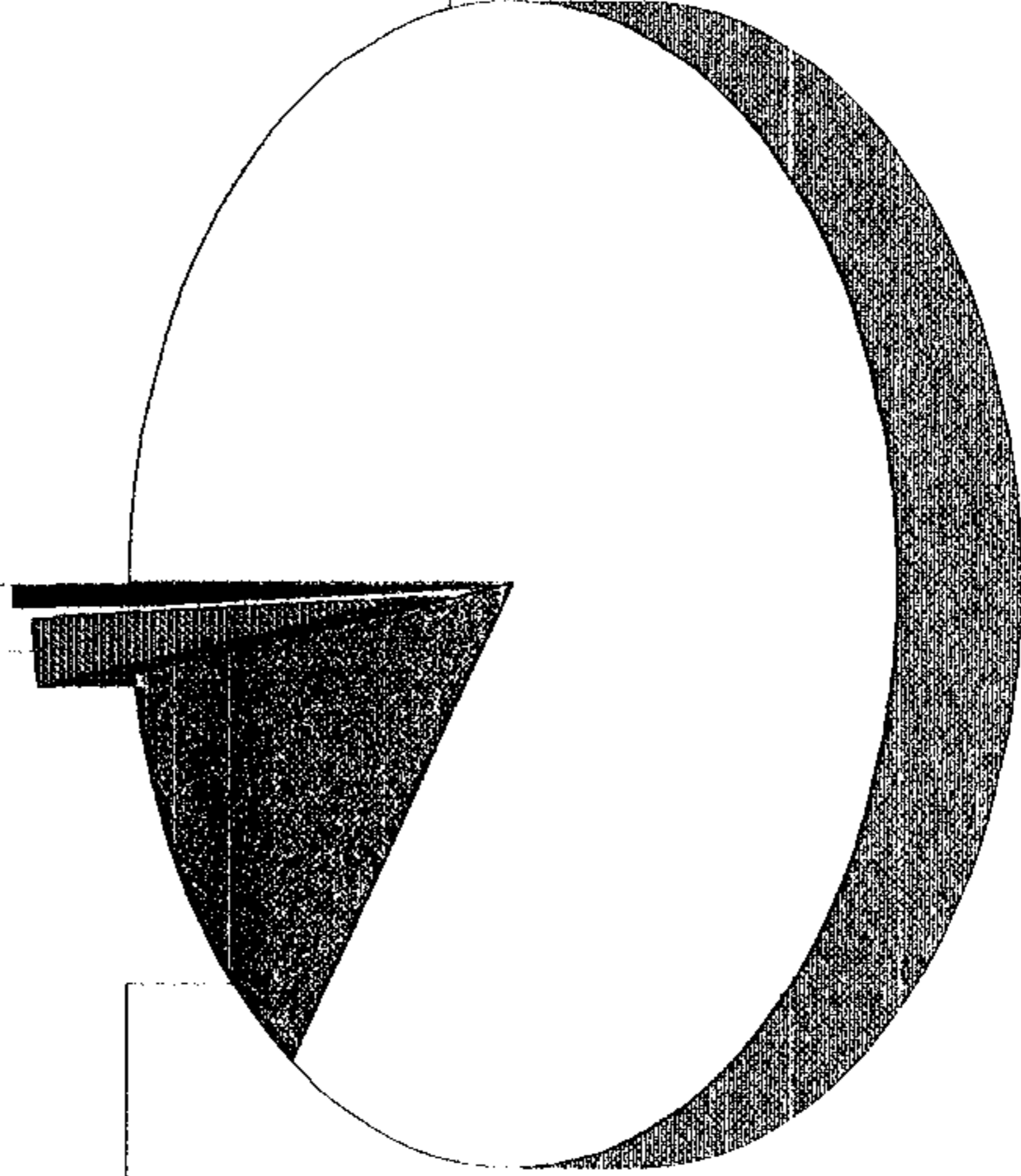
OPERATING FUND REVENUES 12-31-98

INTEREST
INCOME
\$5,066

MISCELLANEOUS
INCOME
\$1,440

AD VALOREM
TAX
\$32,581

SERVICE
CHARGE
\$216,034



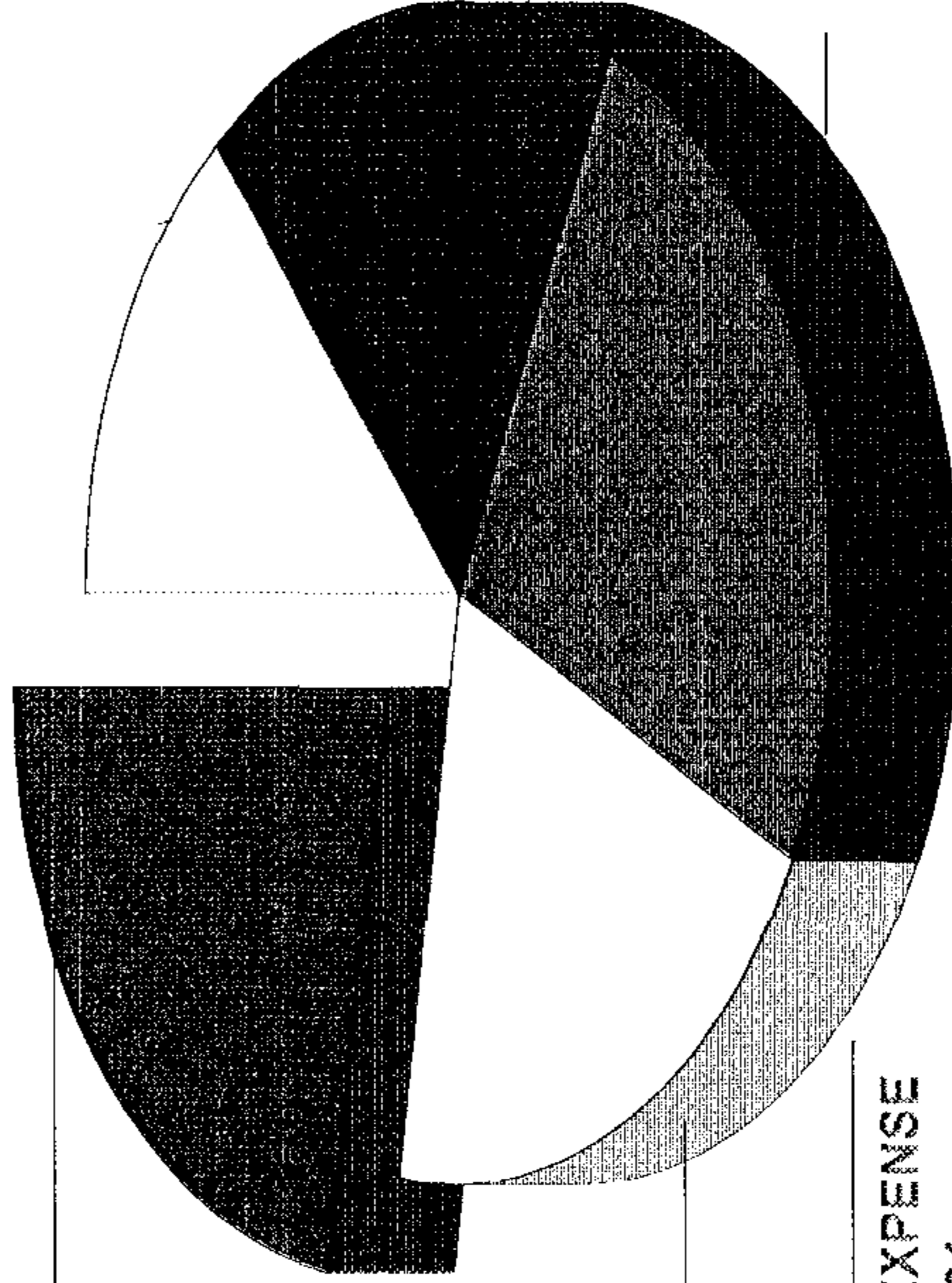
SEE ACCOUNTANT'S
COMPILATION REPORT

LASALLE SEWERAGE DISTRICT NO. 1

OPERATING FUND EXPENDITURES 12-31-98

OTHER
OPERATING
EXPENSE
\$60,339

SALARIES
\$36,936



SEWER
TREATMENT
\$48,089

INTEREST EXPENSE
\$53,831

DEPRECIATION EXPENSE
\$69,585

SEE ACCOUNTANT'S
COMPILATION REPORT

LOUISIANA ATTESTATION QUESTIONNAIRE

February 21, 1999 Date

John R. Vercher PC
210 N. 2nd St.
PO Box 1608
Jena, La. 71342

In connection with your compilation of our financial statements as of December 31, 1998, and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 2-10-99 (date).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-Rs 39:43.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Betty C. Wilson

Secretary
Treasurer
President