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HIDEAWAY ROAD SEWERAGE DISTRICT #1

*Ouachita Parish Police Jury
Monroe, Louisiana*

AUDIT REPORT
As of and For the Year Ended December 31, 1999

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

Release Date 08-11-00

Jimmie Self, CPA
A Professional Accounting Corporation
2908 Cameron Street, Suite C
Monroe, Louisiana 7120
Phone (318) 323-4656 Fax (318) 388-0724

**HIDEAWAY ROAD SEWERAGE DISTRICT #1
OF OUACHITA PARISH**

**Component Unit Financial Statements As of and For the Year Ended
December 31, 1999
*With Supplemental Information Schedules***

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JIMMIE SELF, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2908 Cameron Street, Suite C
Monroe, Louisiana 71201
Phone (318) 323-4656 Fax (318) 388-0724

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Hideaway Road Subdivision Sewerage District #1
Monroe, Louisiana
May 28, 2000

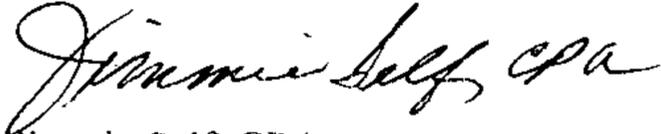
I have audited the accompanying general purpose financial statements of Hideaway Road Subdivision Sewerage District #1, a component unit of The Ouachita Parish Police Jury, as of and for the year ended, December 31, 1999, as listed in the table of contents. These general purpose financial statements 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. Those 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 general purpose 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 Hideaway Road Subdivision Sewerage District #1 as of December 31, 1999, 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 Hideaway 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, 2000, on my consideration of Hideaway Road Subdivision Sewerage District #1's internal control structure and a report dated May 28, 2000, on its compliance with certain provisions of laws, regulations, and grants.

A handwritten signature in cursive script that reads "Jimmie Self CPA". The signature is written in black ink and is positioned above the printed name.

Jimmie Self, CPA

**HIDEAWAY ROAD SEWERAGE DISTRICT #1
 OUACHITA PARISH POLICE JURY
 MONROE, LOUISIANA 71201
 PROPRIETARY FUND - ENTERPRISE FUND
 ALL FUND TYPES AND ACCOUNT GROUPS
 BALANCE SHEET DECEMBER 31, 1999**

ASSETS:	<u>1999</u>
CURRENT ASSETS:	
CASH	20,417
ACCOUNTS RECEIVABLE	7,414
INTEREST RECEIVABLE	
TOTAL CURRENT ASSETS:	<u>27,832</u>
RESTRICTED ASSETS:	
CASH	22,410
TOTAL RESTRICTED ASSETS:	<u>22,410</u>
PROPERTY, PLANT AND EQUIPMENT:	
PROPERTY, PLANT AND EQUIPMENT	314,801
LESS: ACCUMULATED DEPRECIATION	(50,026)
NET PROPERTY, PLANT AND EQUIPMENT:	<u>264,775</u>
TOTAL ASSETS:	<u><u>315,017</u></u>
LIABILITIES AND FUND EQUITY:	
NO LIABILITIES:	<u>0</u>
FUND EQUITY:	
RETAINED EARNINGS	315,017
TOTAL FUND EQUITY:	<u>315,017</u>
TOTAL LIABILITIES AND FUND EQUITY:	<u><u>315,017</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

HIDEAWAY ROAD SEWERAGE DISTRICT #1
OUACHITA PARISH POLICE JURY
MONROE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>1999</u>
OPERATING REVENUES:	
SERVICE INCOME	<u>\$17,958</u>
TOTAL OPERATING REVENUES:	<u>17,958</u>
OPERATING EXPENSES:	
INSURANCE	379
OFFICE EXPENSE	758
SUPERVISIONS	11,209
ELECTRICAL	663
LEGAL/PROFESSIONAL	1,470
DEPRECIATION EXP	6,295
CHEMICALS	768
LAB FEES	362
REPAIRS/MAINTENANCE	318
TOTAL OPERATING EXPENSES:	<u>22,222</u>
OPERATING INCOME (LOSS):	(4,264)
NONOPERATING REVENUES (EXPENSES):	
INTEREST INCOME	<u>1,835</u>
TOTAL NONOPERATING REVENUES (EXPENSES):	<u>1,835</u>
NET INCOME (LOSS):	(2,429)
RETAINED EARNINGS AT BEGINNING OF YEAR:	<u>317,446</u>
RETAINED EARNINGS AT END OF YEAR:	<u><u>\$315,017</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

INCOME 99

HIDEAWAY ROAD SEWERAGE DISTRICT #1
OUACHITA PARISH POLICE JURY
MONROE, LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1999

CASH FLOWS FROM OPERATING ACTIVITIES:	
NET INCOME/LOSS FROM OPERATIONS	(\$2,429)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:	
DEPRECIATION	6295
CHANGES IN ASSETS AND LIABILITIES:	
NET INCREASE/DECREASE IN ACCOUNTS RECEIVABLE	(648)
	<hr/>
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:	3,218
CASH FLOWS FROM INVESTING ACTIVITIES:	
PAYMENTS FOR EQUIPMENT PURCHASE	(1,111)
NET CASH USED IN INVESTING ACTIVITIES	(1,111)
	<hr/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR:	40,721
	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR:	42,828
	<hr/> <hr/>
 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	 \$6,295

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

s/a cashflow

**HIDEAWAY ROAD SEWERAGE DISTRICT #1
OF OUACHITA PARISH**

**Notes To The Financial Statements
As of and For the Year Ended December 31, 1999**

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 200 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 includes:

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

HIDEAWAY ROAD SEWERAGE DISTRICT #1 OF OUACHITA PARISH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Because the police jury 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	11,209
Legal & Professional	1,470

HIDEAWAY ROAD SEWERAGE DISTRICT #1 OF OUACHITA PARISH

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 principle 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, entitlements, 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 OUACHITA PARISH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. FIXED ASSETS

A summary of fixed assets at December 31, 1999, follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Plant & Equipment 12-31-98	313,689	43,731	269,958
Addn's 1999	1,111	6,295	1,111
			<u>62,950</u>
Plant & Equipment 12-31-99	<u>314,801</u>	<u>50,026</u>	<u>264,775</u>

5. LONG - TERM LIABILITIES

None.

6. PENSION PLAN

None

7. OTHER POST - EMPLOYMENT BENEFITS

None.

8. RELATED PARTY TRANSACTIONS

None.

9. LITIGATION AND CLAIMS

In January, 1999, Helms Properties made an agreement to pay the District for treatment plant extension due to additional subdivision development. No contract was made and no payment has been made. No accounts receivable amount has ever been established.

10. SUBSEQUENT EVENTS

None.

11. OTHER SUPPORT

None.

SUPPLEMENTARY INFORMATION

**HIDEAWAY ROAD SEWERAGE DISTRICT #1
OF OUACHITA PARISH**

**Supplemental Information Schedule
As of and for the year then ended December 31, 1999**

COMPENSATION PAID TO BOARD MEMBERS

The following schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

*Schedule of Compensation Paid Board Members as of and for the Year Ended
December 31, 1999*

Don Walker-Chairman	343-4886	
407 Raymond Drive	322-6400	
Monroe, LA 71203		0.00
Nan Woods	343-8822	
107 Raymond Drive		
Monroe, LA 71203		0.00
Bill Brodie	343-0334	
325 Raymond Drive	251-0327	
Monroe, LA 71203		0.00
Ray Osterland		
205 Raymond Drive		
Monroe, LA 71203		0.00
Brent Mothersbaugh	345-0847	
110 Raymond Drive		
Monroe, LA 71203		0.00
C. Jarvis Thomas	343-8966	
413 Raymond Drive		
Monroe, LA 71203		0.00

JIMMIE SELF, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2908 Cameron Street, Suite C
Monroe, Louisiana 71201
Phone (318) 323-4656 Fax (318) 388-0724

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
Hideaway Road Subdivision Sewerage District #1
Monroe, Louisiana
May 28, 2000

I have audited the general purpose financial statements of the Hideaway Road Subdivision Sewerage District #1, a component of the Ouachita Parish Police Jury, as of and for the year ended December 31, 1999 and have issued my report thereon dated May 28, 2000. I conducted my audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

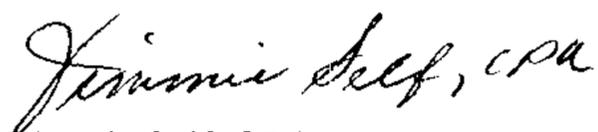
As part of obtaining reasonable assurance about whether Hideaway Road Subdivision Sewerage District #1, Monroe, La.'s, general purpose financial statements are free of material misstatement, I performed test of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance 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 Hideaway 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 weakness. 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 Hideaway 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.



Jimmie Self, CPA
Monroe, Louisiana
May 28, 2000

Jimmie Self, CPA
A Professional Accounting Corporation
2908 Cameron Street, Suite C
Monroe, Louisiana 71201
Phone (318) 323-4656 Fax (318) 388-0724

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1999

I have audited the financial statements of Hideaway Road Sewerage District #1 as of and for the year ended December 31, 1999, and have issued my report dated May 28, 2000. I conducted my audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. [and the provisions of OMB Circular A-133.] My audit of the financial statements as of December 31, 1999 resulted in an unqualified opinion (qualified, adverse, disclaimer).

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses yes no Reportable Conditions yes no

Compliance

Compliance material to Financial Statements yes no

Schedule of Prior Year Findings for the year ended December 31, 1999.

None.