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**PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana**

**General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1999
With Supplemental Information Schedules**

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 JUL 26 2000

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 1999
With Supplemental Information Schedules

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M. Carleen Dumas
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Independent Auditor's Report

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

I have audited the accompanying general purpose financial statements of Prairie Road Water District, a component unit of the Ouachita Parish Police Jury, as of December 31, 1999, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 in the first paragraph present fairly, in all material respects, the financial position of Prairie Road Water District, as of December 31, 1999, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

BOARD OF COMMISSIONERS
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
Independent Auditor's Report
December 31, 1999

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Schedule of Compensation Paid Commissioners and the Summary Schedule of Prior Audit Findings 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 stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The Water Rate Schedule and Schedule of Insurance are not a required part of the general purpose financial statements but are supplementary information required by the United States Department of Agriculture, Office of Rural Development. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the presentation of this supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 9, 2000, on my consideration of Prairie Road Water District's internal control over financial reporting and my tests of the district's compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



Calhoun, Louisiana
June 9, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

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

Balance Sheet, December 31, 1999
(With Comparative Totals for December 31, 1998)

	<u>1999</u>	<u>1998</u>
ASSETS		
Current assets:		
Cash	\$31,941	\$48,907
Accounts receivable (net of allowance for uncollectible accounts)	19,844	15,622
Inventory	<u>4,774</u>	<u>5,063</u>
Total current assets	<u>56,559</u>	<u>69,592</u>
Restricted assets - cash:		
Bond reserve accounts	210,271	194,592
Customer deposit accounts	<u>9,341</u>	<u>9,156</u>
Total restricted assets	<u>219,612</u>	<u>203,748</u>
Property, plant and equipment (net of accumulated depreciation)	<u>485,273</u>	<u>511,200</u>
TOTAL ASSETS	<u>\$761,444</u>	<u>\$784,540</u>
LIABILITIES AND FUND EQUITY		
Current liabilities (payable from current assets):		
Accounts payable	\$2,523	\$1,899
Payroll taxes payable	2,049	2,257
Sales tax payable	<u>458</u>	<u>434</u>
Total current liabilities (payable from current assets)	<u>5,030</u>	<u>4,590</u>
Current liabilities (payable from restricted assets):		
Customer deposits	10,168	9,320
Bonds payable	44,000	40,000
Accrued interest payable	<u>1,123</u>	<u>1,185</u>
Total current liabilities (payable from restricted assets)	<u>55,291</u>	<u>50,505</u>
Long-term liabilities - revenue bonds payable	<u>325,852</u>	<u>369,852</u>
Total liabilities	<u>386,173</u>	<u>424,947</u>

(Continued)

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

	<u>1999</u>	<u>1998</u>
LIABILITIES AND FUND EQUITY (CONTD):		
Fund Equity - retained earnings:		
Reserved for inventory	\$4,774	\$5,063
Reserved for debt retirement	165,148	153,407
Unreserved	<u>205,349</u>	<u>201,123</u>
Total fund equity	<u>375,271</u>	<u>359,593</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$761,444</u>	<u>\$784,540</u>

(Concluded)

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, 1999
(With Comparative Totals for December 31, 1998)

	<u>1999</u>	<u>1998</u>
OPERATING REVENUES		
Water sales	\$241,213	\$244,598
Connection and reconnection fees	5,116	8,584
Late charges	4,767	5,313
Other	581	275
Total operating revenues	<u>251,677</u>	<u>258,770</u>
OPERATING EXPENSES		
Bad debt expense	316	378
Chlorine and chemicals	6,839	7,467
Commissioner's fees	1,100	1,125
Contract labor	1,503	
Depreciation	25,927	26,256
Equipment rental	1,675	1,187
Gas and oil	2,345	2,435
Insurance	5,518	4,007
Insurance - group	9,509	4,933
Maintenance and repairs	14,717	8,751
Office supplies and expense	4,684	3,291
Pager	635	388
Payroll taxes	4,065	6,228
Postage	3,776	2,580
Professional fees	5,027	3,332
Salaries and wages	82,520	85,221
Supplies and parts	14,707	12,076
Training and conventions	902	351
Truck repairs	1,149	295
Utilities and telephone	22,363	21,074
Other operating expenses	1,904	1,704
Total operating expenses	<u>211,181</u>	<u>193,079</u>
OPERATING INCOME	<u>40,496</u>	<u>65,691</u>

(Continued)

Statement B

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

	<u>1999</u>	<u>1998</u>
NON-OPERATING REVENUES (Expenses)		
Interest income	\$5,255	\$4,476
Insurance proceeds		1,598
Interest expense	<u>(30,073)</u>	<u>(33,080)</u>
Total non-operating revenues (expenses)	<u>(24,818)</u>	<u>(27,006)</u>
NET INCOME	15,678	38,685
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>359,593</u>	<u>320,908</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$375,271</u></u>	<u><u>\$359,593</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

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

Statement of Cash Flows
For the Year Ended December 31, 1999
(With Comparative Totals for December 31, 1998)

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income	<u>\$40,496</u>	<u>\$65,691</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	25,927	26,256
(Increase) decrease in receivables	(4,311)	5,812
Decrease in inventory	289	30
Increase in customer deposits	938	660
Decrease in taxes payable	(185)	(21)
Increase in accounts payable	624	136
Total adjustments	<u>23,282</u>	<u>32,873</u>
Net cash provided by operating activities	<u>63,778</u>	<u>98,564</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Principal paid on revenue bonds	(40,000)	(35,000)
Insurance proceeds		1,598
Interest paid on revenue bonds	<u>(30,135)</u>	<u>(33,138)</u>
Net cash used by capital financing activities	<u>(70,135)</u>	<u>(66,540)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings on bank deposits	<u>5,255</u>	<u>4,432</u>
NET INCREASE (Decrease) IN CASH	(1,102)	36,456
CASH AT BEGINNING OF YEAR	<u>252,655</u>	<u>216,199</u>
CASH AT END OF YEAR	<u>\$251,553</u>	<u>\$252,655</u>

The accompanying notes are an integral part of this statement.

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1999

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. The district has three full-time employees and three part-time employees. The district serves approximately 804 customers.

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. The district applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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 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

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

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.
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.

D. BASIS OF ACCOUNTING

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

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 are included on the balance sheet. The Enterprise Fund is reported in the accompanying financial statements on the accrual basis of accounting. Revenues, such as water sales and other operating income are recognized when they are earned. Interest on bank deposits is recorded when the interest is credited to the account. All expenses of the district are recognized when they are incurred.

E. CASH

Cash includes amounts in interest-bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits 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.

F. 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.

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.

II. 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 exhaustible fixed assets is charged as an expense against operations. Fixed assets reported on the balance sheet are net of

PRAIRIE ROAD WATER DISTRICT

Monroe, Louisiana

Notes to the financial statements (Continued)

accumulated depreciation. Depreciation is computed using the straight-line method over estimated useful lives of 20 to 50 years for the wells, water tanks and lines, 20 years for buildings, and 5 to 10 years for equipment. Long-term debt is recognized within the enterprise fund.

I. 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 fun day per calendar year, after 90 days continuous employment.

J. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. COMPARATIVE DATA

Comparative data for the prior year has been presented in the accompanying general purpose financial statements to provide an understanding of changes in Prairie Road Water District's financial position and operations.

2. CASH

At December 31, 1999, the district has cash (book balances) totaling \$251,553, as follows:

Petty cash	\$200
Interest bearing demand deposits	<u>251,353</u>
Total	<u>\$251,553</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or

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

the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 1999, are secured as follows:

Bank Balances	<u>\$257,359</u>
Federal deposit insurance	\$100,000
Pledged securities (uncollateralized)	<u>\$259,569</u>
Total	<u>\$359,569</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent bank has failed to pay deposited funds upon demand.

3. ACCOUNTS RECEIVABLE

At December 31, 1999, the district has net receivables of \$19,844, as follows:

Water sales	\$19,844
Allowance for uncollectible accounts	<u>NONE</u>
Net receivables	<u>\$19,844</u>

The statements contain no provision for uncollectible accounts. The district is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

4. FIXED ASSETS

A summary of property, plant, and equipment at December 31, 1999, follows:

Wells, tanks, and lines	\$830,869
Buildings	38,568
Vehicle and other equipment	<u>45,108</u>
	914,545
Less accumulated depreciation	<u>(429,272)</u>

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

Property, plant and equipment, net \$485,273

5. 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.

6. LONG-TERM DEBT

At December 31, 1999, 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 and then sold to GMAC Commercial Mortgage Corporation. The issue bears interest at 5.625 per cent per annum and the principal is to be repaid in annual payments ranging from \$9,000 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 \$350,000 issue bearing interest at 9.5 per cent and a \$50,000 issue bearing interest at 9.125 per cent. The combined principal payments for the two issues range from \$35,000 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 bonds payable transactions for the year ended December 31, 1999:

Revenue bonds payable at January 1, 1999	\$409,852
Reductions	<u>(40,000)</u>
Revenue bonds payable at December 31, 1999	<u>\$369,852</u>

The annual requirements to amortize all bonds outstanding at December 31, 1999, including interest of \$178,246, are as follows:

<u>Year</u>	
2000	\$75,366
2001	75,969

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

2002	\$77,003
2003	77,377
2004	20,125
2005-2009	114,558
2010-2012	<u>107,700</u>
Total	<u>\$548,098</u>

6. RESERVED RETAINED EARNINGS

The bond covenant for the 1972 water revenue bonds discussed in note 5 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 \$183 each month until \$22,000 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 \$92 per month into this fund until \$5,500 has been accumulated. Money in this fund is to be used for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, replacements and extensions of the system and to eliminate deficiencies in the Revenue Bond and Interest Sinking Fund and the Revenue Bond Reserve Fund.

The bond covenants with the United States Department of Agriculture, Farmers Home Administration for the 1983 revenue bonds discussed in note 5 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

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

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 \$56,809 has been accumulated therein. Such amounts may be used only for the payment of matured bonds and interest when sufficient funds are not available in the Water Revenue Bond and Interest Sinking Fund.

- C. A "Water Depreciation and Contingency Fund". The district must transfer \$428 into this fund each month. The deposits in this fund may be used for unusual or extraordinary maintenance, repairs, replacements, and extensions and for the cost of improvements to the system. Money in this fund may also be used to pay principal and interest on bonds falling due at any time there is not sufficient funds in the other reserve funds.

At December 31, 1999 the district has \$210,271, in restricted accounts to meet reserve requirements. Of that amount, \$45,123 is offset by current liabilities, with the remaining \$165,148, 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, 1999:

	1972	1983	
	<u>Issue</u>	<u>Issue</u>	<u>Total</u>
Bond reserve accounts at January 1, 1999	\$85,864	\$108,728	\$194,592
Deposits	26,514	55,417	81,931
Interest earnings	1,674	2,209	3,883
Bond and interest payments	<u>(20,656)</u>	<u>(49,479)</u>	<u>(70,135)</u>
Bond reserve accounts at December 31, 1999	<u>\$93,396</u>	<u>\$116,875</u>	<u>\$210,271</u>

7. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 1999, nor is it aware of any unasserted claims. The district maintains commercial insurance coverage through the Ouachita 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, 1999. There were no costs resulting from claims or judgments during the year ended December 31, 1999. Settlements have not exceeded insurance coverage for any of the past three fiscal years.

SUPPLEMENTAL INFORMATION SCHEDULES

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended December 31, 1999

SCHEDULE OF WATER RATES (Unaudited)

The district's current water rate schedule is presented as required by the United States Department of Agriculture, Office of Rural Development (Schedule 1).

SCHEDULE OF INSURANCE (Unaudited)

The district's current water rate schedule is presented as required by the United States Department of Agriculture, Office of Rural Development (Schedule 2).

PER DIEM PAID COMMISSIONERS

The schedule of per diem paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 33:3819, 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 (Schedule 3).

PRIOR AUDIT FINDINGS

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 4).

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Schedule of Water Rates
(Unaudited)
For the Year Ended December 31, 1999

	<u>Rate</u>
Residential:	
First 3,000 gallons	\$14.00
Next 2,000 gallons	5.00
Per thousand for the next 5,000 gallons	2.00
Per thousand for all over 10,000 gallons	1.25

There are approximately 765 residential users.

Commercial:	
First 15,000 gallons	45.00
Per thousand for all over 15,000 gallons	1.50

There are approximately 39 commercial users.

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Schedule of Insurance
(Unaudited)
As of December 31, 1999

Type of Coverage	Name of Insurer	Policy Number	Amount of Coverage	Expiration Date
			General Aggregate - \$2,000,000	
			Each Occurrence - \$1,000,000	
			Products - \$2,000,000	
			Personal and Adv Injury - \$1,000,000	
			Fire Damage - \$50,000	
General Liability	Executive Risk Specialty Insurance	99214095298	Medical Expense - \$5,000	01/01/00
			Each Occurrence - \$1,000,000	
Excess Liability	RII Insurance Company	OUL0028914	Aggregate - \$1,000,000	01/01/00
			Retention - \$10,000	
Workers Compensation and Employers Liability	Midwest Employers Casualty Company	209450SOLA	Each Accident - \$1,000,000	
			Each Disease - \$1,000,000	
			Disease Policy Limit - \$1,000,000	01/01/00
Public Official Bond	Fidelity and Deposit	97689148	\$400,000	12/28/00
Auto	Executive Risk Specialty Insurance	99214095298	Liability - \$1,000,000	01/01/00

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

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

Dorth E. Blade, Vice-President	\$250
James Johnson	125
Cleo Moore, 2 nd Vice-President	225
Robert Price, Secretary-Treasurer	250
Tommy Price, President	<u>250</u>
Total	<u>\$1,100</u>

PRAIRIE ROAD WATER DISTRICT
Monroe, LouisianaSummary Schedule of Prior Audit Findings
For the Year Ended December 31, 1999

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
-----------------------------	---	-------------------------------	--

There were no prior year audit findings.

Independent Auditor's Report
Required by *Government Auditing Standards*

The following independent auditor's report on compliance and internal control over financial reporting are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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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
PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

I have audited the general purpose financial statements of Prairie Road Water District, a component unit of the Ouachita Parish Police Jury, as of December 31, 1999, and for the year then ended, and have issued my report thereon dated June 9, 2000. I conducted my audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

As part of obtaining reasonable assurance about whether Prairie Road Water District's general purpose financial statements are free of material misstatement, I performed tests of the district's compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect of 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 Prairie Road Water District'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

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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 solely for the information of the board of commissioners and management of Prairie Road Water District, and other interested state and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.



Calhoun, Louisiana
June 9, 2000

PRAIRIE ROAD WATER DISTRICT
Monroe, Louisiana

Schedule of Findings
For the Year Ended December 31, 1999

I have audited the financial statements of Prairie Road Water District, as of and for the year ended December 31, 1999, and have issued my report thereon dated June 9, 2000. 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. My audit of the financial statements as of December 31, 1999 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

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

Internal Control

Material Weakness Yes No

Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statement Yes No

Section II - Financial Statement Findings

NONE